



Office of the Governor of Guam

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Felix P. Camacho  
Governor

Michael W. Cruz, M.D.  
Lieutenant Governor

FEB 16 2010

2010 FEB 19 PM 4:45

*De*

The Honorable Judith T. Won Pat, Ed.D.  
Speaker  
*Mina' Trenta Na Liheslaturan Guåhan*  
155 Hessler Street  
Hagåtña, Guam 96910

Dear Speaker Won Pat:

Transmitted herewith is Bill No. 150-30(COR) "AN ACT TO AMEND §26603(a), (b), (c) AND (d), AND TO ADD A NEW (e), OF ARTICLE 6, CHAPTER 26, OF TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO INCREASING TOBACCO TAXES, THE HEALTHY FUTURES FUND, AND CREATING A GUAM CANCER TRUST FUND" which I signed into law on February 5, 2010 as **Public Law 30-80**.

*Sinseru yan Magåhet,*

FELIX P. CAMACHO  
*I Maga'låhen Guåhan*  
Governor of Guam

Attachment: copy of Bill

30-10-0152  
*[Signature]*  
2/17/10

I MINA'TRENTA NA LIHESLATURAN GUÅHAN  
2010 (SECOND) Regular Session

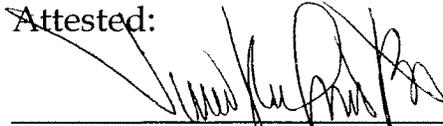
CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN

This is to certify that Substitute Bill No. 150-30 (COR), "AN ACT TO AMEND §26603 (a), (b), (c) AND (d), AND TO ADD A NEW (e), OF ARTICLE 6, CHAPTER 26, OF TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO INCREASING TOBACCO TAXES, THE HEALTHY FUTURES FUND, AND CREATING A GUAM CANCER TRUST FUND," was on the 22<sup>nd</sup> day of January, 2010, duly and regularly passed.



Judith T. Won Pat, Ed. D.  
Speaker

Attested:



Tina Rose Muña Barnes  
Legislative Secretary

This Act was received by I Maga'lahaen Guåhan this 28<sup>th</sup> day of January 2010, at  
3:34 o'clock P.M.



Assistant Staff Officer  
Maga'lahaen's Office

APPROVED:



FELIX P. CAMACHO  
I Maga'lahaen Guåhan

Date: 5 FEBRUARY 2010

Public Law No. 30-80

*I MINA'TRENTA NA LIHESLATURAN GUÅHAN*  
**2009 (FIRST) Regular Session**

**Bill No. 150-30 (COR)**

As substituted by the Committee on Economic Development, Health & Human Services, and Judiciary, and further amended on the Floor.

Introduced by:

B. J.F. Cruz  
Judith T. Won Pat, Ed.D  
F. B. Aguon, Jr.  
T. C. Ada  
F. F. Blas, Jr.  
E. J.B. Calvo  
J. V. Espaldon  
Judith P. Guthertz, DPA  
T. R. Muña Barnes  
Adolpho B. Palacios, Sr.  
v. c. pangelinan  
R. J. Respicio  
Telo Taitague  
Ray Tenorio

**AN ACT TO AMEND §26603 (a), (b), (c) AND (d), AND TO ADD A NEW (e), OF ARTICLE 6, CHAPTER 26, OF TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO INCREASING TOBACCO TAXES, THE HEALTHY FUTURES FUND, AND CREATING A GUAM CANCER TRUST FUND.**

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

2        **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds  
3 that studies in medical journals continuously disclose the harmful effects of  
4 tobacco and that cigarette smoking and exposure to any form of tobacco causes  
5 significant health problems across our nation and our island. Our island has one of

1 the highest rates per capita of cancer patients. Significant studies have shown that  
2 the largest cause of morbidity and mortality has been associated with smoking.  
3 Smoking is associated with cancer, heart disease, stroke, emphysema, bronchitis,  
4 low birth-weight babies, and sudden infant death syndrome, increased frequency of  
5 colds and ear infections, and asthma in a smoking household. Currently, Guam  
6 ranks the highest in the nation with an adult smoking rate of 34.5% and a youth  
7 smoking rate of 30.3%. According to the Department of Mental Health and  
8 Substance Abuse, “our island has the HIGHEST RATE of adult tobacco use  
9 among all the U.S. States and Territories, at least one (1) person on Guam dies  
10 from tobacco use, over 60% of cancers on Guam are due to tobacco, and 66% of  
11 Guam's students are exposed to second hand smoke.” *I Liheslatura* further finds  
12 that Guam’s health infrastructure is already fragile and stretched to the limits of  
13 their capacity, and many individuals have difficulty getting adequate medical care.  
14 Guam’s ability to provide adequate health coverage and health care to its island  
15 residents is insufficient, forcing our sick to struggle to find ways to cover the costs.  
16 Currently, Guam ranks in the bottom half of the nation for the level of tobacco tax  
17 (\$1.00 per pack) it charges to help cover important programs and reduce the  
18 burden upon its non-smoking citizens. New York ranks first with \$2.75 per pack,  
19 with New Jersey ranking second with \$2.575 per pack. Taxes can be viewed as a  
20 user fee that affects the 34.5% of Guam adults who are smokers and who do not  
21 pay the full societal costs of their use of tobacco.

22 *I Liheslatura* realizes that the raising of taxes during Guam’s current state of  
23 economy may bring about potential hardships to our people, but understands that  
24 raising cigarette and tobacco taxes serves the community for the better. There is a  
25 significant advantage and benefit to our island community by the raising of these  
26 taxes. The extra cost associated with the purchase of a cigarette pack or tobacco  
27 product is significantly lower than paying the full price of health care associated

1 with lung cancer and other cancers that may develop through the use of cigarettes  
2 and/or tobacco products or unintentional inhalation of cigarette smoke.

3 It is the intent of *I Liheslatura* to discourage smoking, especially by young  
4 people, and to ease the burden of government-paid health care costs shouldered by  
5 non-smoking taxpayers by increasing the tax on cigarettes and other tobacco  
6 products and to allocate such new tax revenues to effective sources in the  
7 prevention and treatments of cancers and other diseases caused by smoking and  
8 tobacco use. This is realized by allocating significant percentages of tobacco tax  
9 revenues for health-related services. Therefore, the creation of a Guam Cancer  
10 Trust Fund for the use by programs that support cancer screenings, treatment, and  
11 supportive services is an appropriate and effective use of revenues and will ensure  
12 sustainability over the long term.

13 Dedicating a certain percentage of the tax revenues to the Guam Memorial  
14 Hospital Authority will ensure that Guam's healthcare infrastructure will be able to  
15 address future access to care demands as Guam's population continues to increase  
16 over the next decade. Providing for a continuous source of funding to the  
17 Department of Mental Health and Substance Abuse will ensure that effective  
18 tobacco control measures focused on prevention and cessation will continue.  
19 Funding given to the Department of Public Health and Social Services will further  
20 ensure that health promotion and disease prevention programs continue to assist in  
21 the reduction of resources spent on treating preventable illness and functional  
22 impairment, enhance the quality of life, and/or reduce disparities in the health  
23 status of populations.

24 **Section 2.** §26603 of Article 6, Chapter 26, Title 11, Guam Code  
25 Annotated, is *amended* to read:

26 **“§26603. Rates.**

1           The following rates *shall* apply in computing, assessing and collecting  
2 Tobacco Tax:

3           (a) Cigarettes. A tax at the rate of Fifteen Dollars (\$15.00)  
4 per one hundred (100) cigarettes to be prorated in accordance with the  
5 number of cigarettes contained in the individual package taxed.

6           (b) Cigars. The tax rates for cigars shall be based on the  
7 following sizes:

8           (1) Mini Cigars: Forty Cents (\$0.40) Per Cigar. Mini  
9 Cigars are defined as cigars with a ring size of forty (40) or less,  
10 or a length of *less than* four and one-half inches (4.5"),  
11 regardless of ring size as specified by the manufacturer's label.

12           (2) Standard Cigars: Forty-Four Cents (\$0.44) Per  
13 Cigar. Standard Cigars are defined as cigars with a ring size of  
14 more than forty (40), but less than sixty-four (64) as specified  
15 by the manufacturer's label.

16           (3) Large Cigars: Fifty Cents (\$0.50) Per Cigar. Large  
17 Cigars are defined as cigars with a ring size of more than sixty-  
18 four (64), or a length of more than eight inches (8"), regardless  
19 of the ring size as specified by the manufacturer's label.

20           (4) Where no ring size or length is specified by the  
21 manufacturer's label, the tax *shall* be Forty-Four Cents (\$0.44)  
22 per cigar. For purposes of this Section, ring size shall be  
23 defined as the usually accepted measure used by cigar  
24 manufacturers for determining the diameter of cigar at its  
25 widest point. A ring size of one (1) is equal to one sixty fourth  
26 (1/64) of an inch.

1 (c) Other Tobacco Products. A tax at the rate of Fourteen  
2 Dollars (\$14.00) per pound for all other tobacco products to be  
3 prorated in accordance with the size of the package to be taxed.

4 (d) Creation of the Healthy Futures Fund. There is hereby  
5 created the Healthy Futures Fund (Fund) which shall be maintained  
6 separate and apart from other funds of the government of Guam and  
7 shall be kept in a separate bank account and shall *not* be subject to any  
8 transfer authority of *I Maga'lahren Guåhan*. All proceeds from taxes  
9 collected under this Section *shall* be deposited into the Fund and *shall*  
10 *not* be commingled with the General Fund. The Fund is subject to the  
11 following:

12 (1) Seventy-two percent (72%) of the taxes collected  
13 *shall* be subject to *I Liheslaturan Guåhan's* appropriation for  
14 the following purposes:

15 (A) health, education, public safety and social  
16 programs providing awareness on tobacco and alcohol  
17 and substance abuse prevention, cessation, treatment and  
18 control; programs and activities for improving overall  
19 health and well-being; and, programs that enforce alcohol  
20 regulations;

21 (B) public safety and social programs that  
22 enforce alcohol and substance abuse regulations, reduce  
23 underage drinking, support traffic safety, reduce drug-  
24 related violence and abuse;

25 (C) community-based drug and substance abuse  
26 prevention programs;

1 (D) matters pertinent to the items, *supra*, as  
2 deemed appropriate by *I Liheslaturan Guåhan*, with  
3 preference given to programs directed towards youth,  
4 low-income or at-risk persons and families; drug,  
5 alcohol, tobacco and substance prevention, cessation, and  
6 treatment; preventative health care, and chronic disease  
7 management; and the construction and maintenance of  
8 facilities to provide a venue to promote a healthy  
9 lifestyle;

10 (E) to the Department of Public Health and  
11 Social Services for health promotion and disease  
12 prevention programs that attempt to reduce resources  
13 spent on treating preventable illness and functional  
14 impairment, enhance the quality of life, and/or reduce  
15 disparities in the health status of populations; and

16 (F) to the Department of Mental Health and  
17 Substance Abuse for tobacco prevention and cessation  
18 programs that attempt to reduce tobacco consumption;

19 (2) Fifteen percent (15%) of the taxes collected and  
20 any subsequent gains *shall* be transferred into the Guam Cancer  
21 Trust Fund for programs supporting cancer screening,  
22 treatment, and support services;

23 (3) Twelve percent (12%) of the taxes collected to  
24 Guam Memorial Hospital Authority for operating expenses; and

25 (4) One percent (1%) of the taxes collected shall be  
26 used to maintain the Guam Cancer Registry.

1 (e) Creation of the Guam Cancer Trust Fund. There is  
2 hereby created the Guam Cancer Trust Fund, which *shall* be used to  
3 provide financial assistance to organizations that provide patient  
4 directed services for the prevention of cancers, its treatment,  
5 diagnosis, and other services that *may* be required to access treatment,  
6 including, but *not limited to*, off-island transportation and temporary  
7 housing. The Guam Cancer Trust Fund *shall* be subject to the  
8 following:

9 (1) Fifteen percent (15%) of the Healthy Futures Fund  
10 into the Guam Cancer Trust Fund, which *shall* be held in an  
11 account at a Guam financial institution separate and apart from  
12 all other accounts and funds of the government of Guam and  
13 *shall not* be subject to the transfer authority of *I Maga'lahren*  
14 *Guåhan*.

15 (2) The University of Guam, for each fiscal year, may  
16 allocate up to seventy-five percent (75%) of the funds balance  
17 to non-profit and charitable organizations providing cancer  
18 screenings, treatment, and support services. The University of  
19 Guam *shall* promulgate rules and regulations pursuant to Title 5  
20 GCA, Chapter 9 regarding the administration of the Guam  
21 Cancer Trust Fund, as well as the application, distribution,  
22 review and investigation of such funds. Such rules and  
23 regulations *shall* be posted on the University's website.

24 (A) The initial rules and regulations governing  
25 the Guam Cancer Trust Fund *shall* be submitted to *I*

1                    *Liheslatura* within ninety (90) days from the effective  
2                    date of this Act.

3                    (3) The Guam Cancer Trust Fund may receive additional  
4                    appropriations, contributions, endowments, or gifts in cash or  
5                    otherwise from any source, including the Territory of Guam,  
6                    corporations or other businesses, individuals, and interested parties.

7                    (4) The aggregate principal sum deposited in the Guam  
8                    Cancer Trust Fund *shall* be invested by the University of Guam,  
9                    subject to its investment policy as established by the Board of  
10                    Regents.

11                    (5) If the Guam Cancer Trust Fund is terminated, the monies  
12                    remaining in the Trust Fund *shall* revert back to the Healthy Futures  
13                    Funds.

14                    (6) The President of the University of Guam *shall* submit a  
15                    report on a quarterly basis to the Speaker of *I Liheslaturan Guåhan* of  
16                    the revenues collected, gained, and expended from the Guam Cancer  
17                    Trust Fund and *shall* post such report on the University’s website.

18                    (f) The Director of Administration *shall* submit a report on a  
19                    quarterly basis to the Speaker of *I Liheslaturan Guåhan* of the revenues  
20                    collected and expended from the Healthy Futures Fund and *shall* post such  
21                    report on the Department’s website.”

22                    **Section 3. Date of Effect.** Notwithstanding §17311 of Chapter 17 of Title  
23                    3 of the Guam Code Annotated, the new tax rates established in Subsections (a),  
24                    (b) and (c) of §26603 of Article 6, Chapter 26, Title 11, Guam Code Annotated, as  
25                    established pursuant to Section 2 of this Act, *shall* take effect sixty (60) days from  
26                    the date of enactment of this Act.

# I MINA' TRENTA NA LIHESLATURAN GUÅHAN

2010 (SECOND) Regular Session

Date: 1/22/10

## VOTING SHEET

Bill No. 150-30 (COR)

Resolution No. \_\_\_\_\_

Question: \_\_\_\_\_

<u>NAME</u>	<u>YEAS</u>	<u>NAYS</u>	<u>NOT VOTING/ ABSTAINED</u>	<u>OUT DURING ROLL CALL</u>	<u>ABSENT</u>
ADA, Thomas C.	✓				
AGUON, Frank B., Jr.	✓				
BLAS, Frank F., Jr.	✓				
CALVO, Edward J.B.			E		
CRUZ, Benjamin J. F.	✓				
ESPALDON, James V.	✓				
GUTHERTZ, Judith Paulette	✓				
MUNA-BARNES, Tina Rose	✓				
PALACIOS, Adolpho Borja, Sr.	✓				
PANGELINAN, vicente (ben) cabrera	✓				
RESPICIO, Rory J.	✓				
TAITAGUE, Telo /	✓				
TENORIO, Ray	✓				
WON PAT, Judith T.	✓				

TOTAL

13      1      \_\_\_\_\_

CERTIFIED TRUE AND CORRECT:



Clerk of the Legislature

\* 3 Passes = No vote  
EA = Excused Absence



**SENATOR FRANK B. AGUON, JR.**  
 Chairman, Committee on Economic Development,  
 Health & Human Services, and Judiciary  
*I Mina' Trenta Na Liheslaturan Guåhan*  
 (Thirtieth Guam Legislature)



November 10, 2009

**The Honorable Judith T. Won Pat, Ed.D.**  
 Speaker  
 I Mina' Trenta na Liheslaturan Guåhan  
 155 Hesler Place  
 Hagåtña, Guam 96910

**VIA: The Honorable Rory J. Respicio**  
 Chairperson, Committee on Rules

**RE: Committee Report on Bill No. 150-30 (COR), as Substituted by the Committee, on Economic Development, Health & Human Services, and Judiciary.**

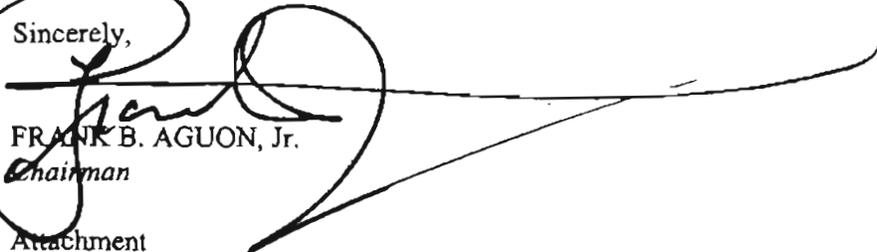
Dear Speaker Won Pat:

Transmitted herewith is the Committee Report on **Bill No. 150 (COR)** – “AN ACT TO AMEND §26603 (a), (b), AND (c) OF ARTICLE 6, CHAPTER 26, OF TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO INCREASING TOBACCO TAXES, THE HEALTHY FUTURES FUND, AND CREATING A GUAM CANCER TRUST ACCOUNT,” sponsored by Senator Benjamin J.F. Cruz; and referred to the Committee on Economic Development, Health & Human Services, and Judiciary. Bill No. 150 (COR) was publicly heard on July 28, 2009.

Senatorial votes are as follows:

- 6 TO PASS
- 0- NOT TO PASS
- 2 TO REPORT OUT ONLY
- 0- TO ABSTAIN
- 0- TO PLACE IN INACTIVE FILE

7:09 PM 15 09  
 Respicio

Sincerely,  
  
 FRANK B. AGUON, Jr.  
 Chairman  
 Attachment





**SENATOR FRANK B. AGUON, JR.**  
Chairman, Committee on Economic Development,  
Health & Human Services, and Judiciary  
*I Mina'Trenta Na Liheslaturan Guåhan*  
(Thirtieth Guam Legislature)



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**COMMITTEE  
REPORT  
ON**

**BILL NO. 150 (COR)**  
**(by Vice-Speaker Benjamin J. Cruz)**

**as Substituted by the Committee**

**"AN ACT TO AMEND §26 603 (a), (b),  
AND (c) OF ARTICLE 6, CHAPTER 26,  
OF TITLE 11 OF THE GUAM CODE  
ANNOTATED, RELATIVE TO  
INCREASING TOBACCO TAXES, THE  
HEALTHY FUTURES FUND, AND  
CREATING A GUAM CANCER TRUST  
ACCOUNT."**



**SENATOR FRANK B. AGUON, JR.**  
Chairman, Committee on Economic Development,  
Health & Human Services, and Judiciary  
*I Mina'Trenta Na Liheslaturan Guåhan*  
(Thirtieth Guam Legislature)



November 10, 2009

**To: Committee Members**  
Committee on Economic Development,  
Health & Human Services, and Judiciary

**From: Senator Frank B. Aguon, Jr.**  
Chairman

**Subject: Committee Report on Bill No. 150 (COR), as Substituted by Committee.**

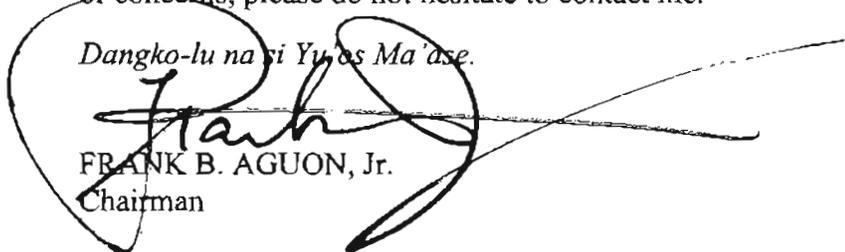
Transmitted herewith for your consideration is the Committee Report on **Bill No. 150 COR** – “AN ACT TO AMEND §26603 (a), (b), AND (c) OF ARTICLE 6, CHAPTER 26, OF TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO INCREASING TOBACCO TAXES, THE HEALTHY FUTURES FUND, AND CREATING A GUAM CANCER TRUST ACCOUNT,” sponsored by Senator Benjamin J.F. Cruz; and as Substituted by the Committee.

This report includes the following:

- Committee Voting Sheet
- Committee Report Narrative
- Copy of Substitute Bill No. 150 COR)
- Copy of Bill No. 150 (COR)
- Article 6, Chapter 26, Title 11, Guam Code Annotated (For Reference)
- Public Hearing Sign-in Sheet
- Copies of Submitted Testimony & Supporting Documents
- Copy of COR Referral of Bill No. 150 (COR)
- Notices of Public Hearing
- Copy of the Public Hearing Agenda
- Related News Articles

Please take the appropriate action on the attached voting sheet. Should you have any questions or concerns, please do not hesitate to contact me.

*Dangko-lu na si Yu'as Ma'ase.*

  
FRANK B. AGUON, Jr.  
Chairman

Attachments



## COMMITTEE VOTING SHEET

**BILL NO. 150 (COR)** – “AN ACT TO AMEND §26603 (a), (b), AND (c) OF ARTICLE 6, CHAPTER 26, OF TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO INCREASING TOBACCO TAXES, THE HEALTHY FUTURES FUND, AND CREATING A GUAM CANCER TRUST ACCOUNT.”

Sponsored by Senator Benjamin J.F. Cruz; and as Substituted by the Committee.

	SIGNATURE	TO PASS	NOT TO PASS	REPORT OUT ONLY	ABSTAIN	PLACE IN INACTIVE FILE
FRANK B. AGUON, JR. Chairman		✓				
ADOLPHO B. PALACIOS, SR. Vice Chairman		✓				
BENJAMIN J.F. CRUZ Vice Speaker		✓				
TINA ROSE MUÑA BARNES Legislative Secretary		✓				
THOMAS C. ADA		✓				
JUDITH P. GUTHERTZ						
RORY J. RESPICIO						
FRANK F. BLAS, JR.						
TELO TAITAGUE						11/10/09
RAY TENORIO						



**SENATOR FRANK B. AGUON, JR.**  
Chairman, Committee on Economic Development,  
Health & Human Services, and Judiciary  
*I Mina'Trenta Na Liheslaturan Guåhan*  
(Thirtieth Guam Legislature)



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**COMMITTEE REPORT DIGEST**

**BILL NO. 150 (COR), as Substituted**

**I. OVERVIEW**

The Committee on Economic Development, Health & Human Services, and Judiciary convened a public hearing on July 28, 2009 at 1:00 PM in *I Liheslatura's* Public Hearing Room. Among the items on the agenda was the consideration of **Bill No. 150 (COR) – "AN ACT TO AMEND §26603 (a), (b), AND (c) OF ARTICLE 6, CHAPTER 26, OF TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO INCREASING TOBACCO TAXES, THE HEALTHY FUTURES FUND, AND CREATING A GUAM CANCER TRUST ACCOUNT,"** sponsored by Senator Benjamin J.F. Cruz.

**Public Notice Requirements**

Notices were disseminated via hand-delivery/fax and/or e-mail to all senators and all main media broadcasting outlets on July 21, 2009 (5-Day Notice), and again on July 23, 2009 (48-Hour Notice). Notices were published in the Marianas Variety on July 21, 2009, and in the Marianas Variety on July 24, 2009.

**Senators Present**

Senator Frank B. Aguon, Jr., Chairperson  
Senator Adolpho B. Palacios, Vice-Chairperson  
Vice-Speaker Benjamin J.F. Cruz, Committee Member  
Senator Thomas C. Ada, Committee Member  
Senator Vicente C. Pangelinan, Committee Member

The public hearing was Called-to-Order at 1:00 PM.

**II. SUMMARY OF TESTIMONY & DISCUSSION**

**CHAIRMAN FRANK B. AGUON, Jr.:** Convened the public hearing and called the first panel of witnesses to testify.

**Dr. Thomas Shieh, MD, FACOG.** Submitted written testimony (attached), and provided oral testimony, **IN SUPPORT** of Bill No. 150: Recommended an amendment to Bill No. 150 (COR), as introduced, on page 2, at lines 15 – 17; that, instead of the funds from the tax going into the Healthy Futures Fund, it should instead be given to the two most important entities on Guam, Guam Memorial Hospital and Mental Health. GMH treats the patients who get heart,

lung and other diseases related to smoking, and Mental Health which treats addictions. Money should as well be provided to public health for education against smoking.

Also encouraged the passage of legislation relative to restricted setbacks where smoking is prohibited near the entrances to public buildings, wherein smoking is prohibited.

CHAIRMAN: Informed Dr. Shieh that the Bill to that effect had already been heard, but that the Committee would incorporate his concerns and proceed quickly on it. The Chairman inquired as to whether Dr. Shieh had any comments on Bill No. 159, relative to the importation and sale of nicotine products.

Dr. Shieh: Stated his support of any bill which curbed the use of nicotine products, which also should include electronic cigarettes, since it's a big hype which is discouraged by the US Surgeon General. It's still a product which is considered to be addictive. Further stated, that, this is an issue which should not be going to referendum, but should be determined on the floor of the Legislature.

**Dr. Nathaniel Berg:** Provided oral testimony **IN SUPPORT** of Bill No. 150 (COR). Stated he sees the effects of smoking everyday – from cancer to birth defects, and numerous other diseases related to smoking. This is a bold move from this body [Legislature] – but not bold enough. Quoted a statement [source unknown], *“Tobacco is the only legally available consumer product which kills when used as intended.”* We should treat smoking like we do with Swine Flu, as an epidemic. Fifty cents (\$0.50) a pack may make a difference. Three dollars (\$3.00) a pack would be a reasonable amount. I'm not saying that you need to go so far as New York, yet, NY has reaped extraordinary benefits, as have other countries that charge ten dollars (\$10.00) a pack. They can still smoke. New York choose \$10.00 because it was determined by the US government that that is what it costs the government in health care dollars.

CHAIRMAN: Question to Dr. Berg; Going back to what you alluded to as having transpired in the 27<sup>th</sup> Legislature, and you're saying that the increase was not impactful enough to the community, in terms of the adjustments in costs?

Dr. Berg: Every little bit helps, but, it's pretty clear that when you make dramatic changes in prices, you have a bigger impact. You have a decrease in smoking due to a significant increase that requires an economic adjustment for the smoker to continue smoking as he did before the increase. Work more hours to get more cigarettes. New York had a thirty percent (30%) reduction. Dramatic changes, rather than incremental changes have a bigger impact.

**Dr. Annette M. David, MD, MPH, Chair, Guam Cancer Control Coalition;** interjected; I believe I can answer the question. We do have local data that shows the impact in 2003, and the Natasha Act that was passed in 2006 and implemented in 2006; and what we saw, very nicely, among our high school students was that before these changes we had smoking rates that were above 40%, one of the highest in the country, one of the highest in the region. The first time we had a drop was in 1999, when you enacted the Sinar Law which prohibits the sale of tobacco to minors. At that point it went down to thirty-seven percent (37%) – still very high, but it was a significant drop. But it wasn't sustained. The next drop was in 2003 when the tobacco tax went

up from seven cents (\$0.07) a pack to one dollar (\$1.00) a pack. It was a statistically significant change, but not sustained again. Not until the Natasha Act came in; then we had a significant drop to where we are three percent (3%) above the average for the US. For the first time we are coming close to being within the national average. I think this very clearly demonstrates the impact of policy upon smoking behavior among a very vulnerable group which is young people. We have evidence, but we need more – we need to go down more.

CHAIRMAN: Thanked and dismissed Dr. Berg, there being no further questions.

**Dr. Annette M. David, began formal presentation,** Submitted written testimony (attached), and provided oral testimony, **IN SUPPORT** of Bill No. 150, and further, expressed preferential **SUPPORT** for Bill No. 150, as Substituted. The undeniable fact that the main thing killing people on Guam is tobacco - it makes H1N1 look like a wimp. The other sad fact is that today, we have the highest smoking rate of all the states and territories. Male smoking rates are almost double. Female smoking is higher than male smoking in the US. That's where we are. And because of that we're paying the price. It's killing our people – it's cancer, it's heart disease, and it's stroke. And they're all caused by tobacco.

Increasing the tobacco tax is proven, not just hypothesized, but proven by global studies to very quickly lower tobacco use rates in the population, and they work best with two very vulnerable groups, the young and the economically underprivileged.

Stated her support for Substitute version because it doesn't just raise the taxes, but earmarks a portion of the tax revenue for prevention, health promotion, and tobacco control. It is very important to channel some of the money to cover the healthcare costs for illnesses tobacco is causing. We're talking of chronic care. The people of Guam go through so much in health care due to tobacco – much of it is not covered by insurance. This is a win-win for us. It's a win-win for the government to help raise revenues. It's a win-win for the people who need help with their chronic care because it provides them with some support - and for our young people and poor people who need to be protected from the harmful effects of tobacco.

**Dr. Helen J.D. Whippy, Ph.D., Principal Investigator, University of Guam Cancer Research Center.** Submitted written testimony (attached), and provided oral testimony, **IN SUPPORT** of Bill No. 150, as Substituted: Began by stating she has a 26 year old son who smokes, and had a husband who died of cancer. **READ WRITTEN TESTIMONY.**

**Dr. Jarome Landstrom, M.D., Guam AMA Delegate.** Provided oral testimony, **IN SUPPORT** of Bill No. 150: Stated that people use the argument that this is a freedom of choice. Let me ask you this, if you're addicted to something, do you have a freedom of choice still? Nicotine is the highest addictive substance known to humankind. Even more so than narcotics such as morphine or diladed. We all know how hard it is to stop.

It has been shown that if you increase the price of cigarettes, you will reduce use. Dr. Landstrom orally provided statistics.

**J. Peter Roberto, ACSW, Director, Department of Public Health & Social Services.** Submitted written testimony (attached), and provided oral testimony, **IN SUPPORT** of Bill No. 150, as Substituted: Began by stating that he is encouraged from the strong support of colleagues, associated professionals, and those in support of reducing smoking. Raising taxes on tobacco is one of the fastest, most effective means of reducing smoking, especially among two of the most affected groups, as has been stated earlier, the young and the poor. **READ WRITTEN TESTIMONY.**

Recommended Bill No. 150, as Substituted, should be passed as quickly as possible.

**Dr. Lee G. Saltzgeber, M.D., MMM, MPH. Team Leader, Guam Comprehensive Cancer Control Coalition.** Provided written (attached) **IN SUPPORT** of Bill No. 150, and presented oral testimony, as follows: **READ PORTION OF WRITTEN TESTIMONY.**

As to Bill 150, I don't think it is a decision which is based upon emotion. I don't think it is a decision you should make based upon interests. I believe the data has been borne out in studies. And I think long term the benefit to Guam would be immense if you step up to the plate and take this on – taking care of Guam's future.

**Senator Thomas C. Ada.** Have there been any studies that show as the price, as the taxes increase, whether the underground market started to emerge?

Dr. Saltzgeber: Yes there are. As a matter of fact one of the arguments used is that if we raise taxes we're going to have a black market. California did that really well by implementing a tax stamp system. By implementing the stamp they raised an additional \$100,000,000. So it does happen, but if you're talking about taking a little bit of the revenue away versus what it does by decreasing the smoking, by decreasing the costs we have to pay in healthcare costs, by improving the health and productivity of the citizens, all of the thing that go along with it, then, let them black market. We can deal with it if gets big enough – there are ways to deal with it. It doesn't take away from the gains we make.

He further clarified, that the reason the state of New York went to Ten dollars (\$10.00) tax rate, was that this was the figure determined by the US Department of Health as the annualized cost in healthcare services incurred by the government due to tobacco related illnesses. No profit or revenue gain would be realized, but rather, it was seen as a break even figure. [emphasis added]

**Senator Vicente Pangelinan.** Stated his support for efforts to reduce smoking and the use of tobacco products.

**Christine Noket,** presenting written testimony **on behalf of Oliva P. Aguon.** Submitted written testimony (attached), **IN SUPPORT** of Bill No. 150: **READ WRITTEN TESTIMONY.**

**Marisha Artero, American Cancer Society, Guam Field Office:** Submitted written testimony (attached), **IN SUPPORT** of Bill No. 150, as Substituted: **READ WRITTEN TESTIMONY.**

**Juanita Blaz, Mother, & Island Girl Power Coordinator:** Provided oral testimony **IN SUPPORT** of Bill No. 150 (COR). Opposes tobacco use. Approves of signage law. And, believes tobacco taxes are an appropriate means of fighting smoking and addressing problems it causes.

**Dan Rosenbergor, President, Guam American Cancer Society,** presenting written testimony (attached) **on behalf of Angelina Garrido Mummert, IN SUPPORT** of Bill No. 150, as Substituted. READ WRITTEN TESTIMONY. Does not want Bill to go through the referendum process, as that it will further delay passage and implementation.

**Ron McNinch, past president, and current board member, American Cancer Society:** Provided oral testimony **IN SUPPORT** of Bill No. 150. Pointed out that black markets thrive in places that have contiguous borders. Luckily, as an island, we don't have that kind of border and black markets don't thrive as readily in island types of environments. The tax is not about money. It is about an expression of care toward people who smoke.

**Michael S. Ehler, Professor, University of Guam:** Provided oral testimony, **IN SUPPORT** of Bill No. 150. Spoke of the research work being performed at UOG relative to cancer studies, and the need to take steps to reduce Guam's cancer incidence rate through the control of tobacco products.

**Senator Cruz:** Do any of you have any comments on Bill No. 159, relative to tobacco products?

Dan Rosenbergor: Any bill which supports the restriction or usage of tobacco products or tobacco like products, which we know the ill effects of, I think that we can support it. How disgusting - that some of these candies are - that create the habits that later lead to nicotine addiction and possibly smoking or chewing.

CHAIRMAN: Considering all the available programs around the country, what do you see to be one of the most successful with the American Cancer Society?

Dan Rosenbergor: Education is the most [successful]. The more that we can educate, and starting at an early age, we can educate the youth of the dangers of those things. But its not one thing. It takes a concerted effort from a lot of different directions and organizations.

Dr. Ehler: The single most important thing we can do for the people in our lives is not to smoke.

**Senator A. Palacios:** Spoke to the matter of his personal experience of quitting smoking. Stated that Bill No. 150 is a good bill.

**CHAIRMAN: There being no further witnesses, nor questions from Committee members, the Chairman concluded the public hearing on Bill No. 150 (COR).**

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In addition to written and oral testimonies received during the July 28, 2009, Public Hearing, **TEN (10) written testimonies** were additionally received by the Committee subsequent to the hearing, **IN SUPPORT** of Bill No. 150 (COR). They are listed, as follows:

1. Dr. J. Samuel Friedman, Cancer Center of Guam.
2. Roy Aguon, Caregiver & Former Smoker
3. James Rarick, MPH, Executive Director, Hawaiian Public Health Association.
4. Jackie Berry, Executive Director, Health Mothers Healthy Babies Coalition of Hawaii.
5. Cerina Y. Mariano.
6. Barbara S.N. Benavente.
7. Frank T. Ishizaki.
8. Trisha Y. Nakamura, JD, Policy and Advocacy Director, Coalition For A Tobacco-Free Hawaii.
9. George S. Massengale, J.D., Director of Relations, American Cancer Society Hawai'i Pacific, Inc.
10. Health Partners, L.L.C.
  1. Joel Marc C. Rubio, MD
  2. Annette M. David, MD, MPH
  3. Heidi Cameron
  4. Jeannie Pacson
  5. Nora Minor
  6. Kelley Barnhart
  7. Joyce Ibanez

In addition to written and oral testimonies received during the July 28, 2009, Public Hearing, **SIX (6) Petitions**, containing **TWO HUNDRED TEN (210) signatures IN SUPPORT** of Bill NO. 150 (COR), were received by the Committee (Attached).

In addition to written and oral testimonies received during the July 28, 2009, Public Hearing, **ONE (1) written testimony** was received, subsequent to the public hearing, by the Committee, **OPPOSED** to Bill No. 150 (COR). It is listed, as follows:

1. Frank J. Campillo, Chairman of the Board, Guam Chamber of Commerce.

### **III. FINDINGS & RECOMMENDATIONS**

**The Committee on Economic Development, Health & Human Services, and Judiciary, finds, that:**

THIRTEEN (13) witnesses testified **IN SUPPORT** of Bill No. 150 (COR) during the July 28, 2009, Public Hearing. There were no witnesses opposing Bill No. 150 (COR) during the hearing. Subsequent to the Public Hearing, the Committee received **TEN (10) written testimonies** (by sixteen (16) authors) **IN SUPPORT** of Bill No. 150 (COR); as well as **FIVE** petitions containing 175 signatures, **IN SUPPORT** of Bill No. 150 (COR).

The testimony in support emphasized the following:

1. Smoking is a leading cause of cancer, heart disease, and associated illnesses on Guam.
2. An increase in the tobacco tax is an effective, proven means of reducing tobacco usage.
3. Supported a significant increase as being more effective, as opposed to small incremental increases.
4. Revenues realized from the tobacco tax would help defray the costs of healthcare currently being borne by the government.
5. Revenues realized should be allocated to several important programs and agencies, and that all revenue being placed into the Healthy Futures Fund should be allocated for specific purposes. These include: 1) Guam Memorial Hospital. 2) Department of Mental Health & Substance Abuse. 3) Education through the Department of Public Health & Social Services. 4) a Guam Cancer Trust Fund. And, 5) Assorted related programs.
6. That concerns relative to tobacco smuggling can be addressed, and that the benefits to the community far outweigh any loss of revenue caused through smuggling.
7. The passage of Bill No. 150 (COR) should be decided now, by *I Liheslaturan Guaghan*, as opposed to waiting for a referendum in November 2010. To wait would cause a needless delay.

**Further**, it was repeatedly stated, during the public hearing, as well as in written submissions, that the increasing rate of smoking, associated healthcare costs, human suffering, and burden upon the government needs to be mitigated in a timely, decisive manner. The importance of this was especially noted with regards to the impact among Guam's most vulnerable, the young and the economically challenged. It was repeatedly noted that small incremental changes in tax rates have had little impact in reducing smoking on Guam, or elsewhere within the US system. Conversely, significant increases would have a readily measureable impact within a comparatively shorter time than what has been previously accomplished by existing Guam law.

One of the recurring themes of the testimonies received has the issue that Bill 150 (COR) should be adopted as soon as possible, and that a referendum would unduly delay implementation. Further, that bold, sound and decisive decision are needed to be made by lawmakers in the interest of protecting and promoting Guam's public health.

Tobacco products are a leading cause of cancer, heart disease, strokes and related illnesses. Guam's smoking rates are exceedingly far above the national average – in all categories. With one exception, this position is likewise reflected in the written testimonies received.

**Committee action and recommendation relative to amending Bill Bo. 150 (COR):**

1. Tax increases in all categories of tobacco products were adopted in the Substituted Bill No. 150.

2. Revenues to be realized have been allocated, by percentages, via the Healthy Futures Fund, to a variety of programs.
3. A new subsection (e) was added relative to the establishment of a Guam Cancer Trust Fund, to provide financial assistance to organizations that provide patient directed services for the prevention of cancers, its treatment, diagnosis, and other services, as may be required.
4. The provision within Section 3 of Bill 150 (COR), relative to requiring a referendum and ratification of the operative provisions of the Bill, was DELETED, and SUBSTITUTED with an enactment clause providing for implementation ninety (90) days from date of enactment.

**The Committee on Economic Development, Health & Human Services, and Judiciary, hereby reports out Bill No. 150 (COR), as Substituted by the Committee, with the recommendation TO DO PASS.**

1                                   **I MINA' TRENTA NA LIHESLATURAN GUÅHAN**  
2                                   **2009 (FIRST) Regular Session**

3  
4  
5   **Bill No. 150 (COR)**

6   As Substituted by the Committee  
7   On Economic Development, Health &  
8   Human Services and Judiciary

9  
10 Introduced by:

B.J. Cruz

11  
12  
13                   **AN ACT TO AMEND §26 603 (a), (b), AND (c) OF ARTICLE**  
14                   **6, CHAPTER 26, OF TITLE 11 OF THE GUAM CODE**  
15                   **ANNOTATED, RELATIVE TO INCREASING TOBACCO**  
16                   **TAXES, THE HEALTHY FUTURES FUND, AND**  
17                   **CREATING A GUAM CANCER TRUST ACCOUNT.**

18  
19                   **BE IT ENACTED BY THE PEOPLE OF GUAM:**

20                   **Section 1. Legislative Findings and Intent.**

21                   *I Liheslaturan Guåhan* finds that studies in medical journals continuously  
22 disclose the harmful effects of tobacco and that cigarette smoking and exposure to  
23 any form of tobacco causes significant health problems across our nation and our  
24 island. Our island has one of the highest rates per capita of cancer patients.  
25 Significant studies have shown that the largest cause of morbidity and mortality  
26 has been associated with smoking. Smoking is associated with cancer, heart  
27 disease, stroke, emphysema, bronchitis, low birth-weight babies, and sudden infant  
28 death syndrome, increased frequency of colds and ear infections, and asthma in a  
29 smoking household. Currently, Guam ranks the highest in the nation with an adult  
30 smoking rate of 34.5% and a youth smoking rate of 30.3%. According to the  
31 Department of Mental Health and Substance Abuse, "our island has the HIGHEST  
32 RATE of adult tobacco use among all the U.S. States and Territories, at least one  
33 person on Guam dies from tobacco use, over 60% of cancers on Guam are due to

1 tobacco, and 66% of Guam's students are exposed to second hand smoke." *I*  
2 *Liheslatura* further finds that Guam's health infrastructure is already fragile and  
3 stretched to the limits of their capacity, and many individuals have difficulty  
4 getting adequate medical care. Guam's ability to provide adequate health coverage  
5 and health care to its island residents is insufficient, forcing our sick to struggle to  
6 find ways to cover the costs. Currently, Guam ranks in the bottom half of the  
7 nation for the level of tobacco tax (\$1.00 per pack) it charges to help cover  
8 important programs and reduce the burden upon its non-smoking citizens. New  
9 York ranks first with \$2.75 per pack with New Jersey ranking second with \$2.575  
10 per pack. Taxes can be viewed as a user fee that affects the 34.5% of Guam adults  
11 who are smokers and who do not pay the full societal costs of their use of tobacco.

12 *I Liheslatura* realizes that the raising of taxes during Guam's current state of  
13 economy may bring about potential hardships to our people, but understands that  
14 raising cigarette and tobacco taxes serves the community for the better. There is a  
15 significant advantage and benefit to our island community by the raising of these  
16 taxes. The extra cost associated with the purchase of a cigarette pack or tobacco  
17 product is significantly lower than paying the full price of healthcare associated  
18 with lung cancer and other cancers that may develop through the use of cigarettes  
19 and/or tobacco products or unintentional inhalation of cigarette smoke.

20 It is the intent of *I Liheslatura* to discourage smoking, especially by young  
21 people, and to ease the burden of government-paid health care costs shouldered by  
22 non-smoking taxpayers by increasing the tax on cigarettes and other tobacco  
23 products and to allocate such new tax revenues to effective sources in the  
24 prevention and treatments of cancers and other diseases caused by smoking and  
25 tobacco use. This is realized by allocating significant percentages of tobacco tax  
26 revenues for health related services. Therefore, the creation of a Guam Cancer  
27 Trust Fund for the use by programs that support cancer screenings, treatment, and

1 supportive services is an appropriate and effective use of revenues and will ensure  
2 sustainability over the long term.

3 Dedicating a certain percentage of the tax revenues to the Guam Memorial  
4 Hospital Authority will ensure that Guam’s healthcare infrastructure will be able to  
5 address future access to care demands as Guam’s population continues to increase  
6 over the next decade. Providing for a continuous source of funding to the  
7 Department of Mental Health and Substance Abuse will ensure that effective  
8 tobacco control measures focused on prevention and cessation will continue.  
9 Funding given to the Department of Public Health and Social Services will further  
10 ensure that health promotion and disease prevention programs continue to assist in  
11 the reduction of resources spent on treating preventable illness and functional  
12 impairment, enhance the quality of life, and/or reduce disparities in the health  
13 status of populations.

14 **Section 2.** Section §26603 of Article 6, Chapter 26, Title 11, Guam Code  
15 Annotated, is *amended* to read:

16 **“§26603. Rates.**

17 The following rates shall apply in computing, assessing and collecting  
18 Tobacco Tax:

19 (a) Cigarettes. A tax at the rate of ~~Five Dollars (\$5.00)~~ Ten  
20 Dollars (\$10.00) per one hundred (100) cigarettes to be prorated in  
21 accordance with the number of cigarettes contained in the individual  
22 package taxed.

23 (b) Cigars. The tax rates for cigars shall be based on the  
24 following sizes:

25 1. Mini Cigars: ~~Twenty Cents (\$0.20)~~ Forty (\$0.40)  
26 Per Cigar. Mini Cigars are defined as cigars with a ring size of  
27 forty (40) or less, or a length of less than four and one-half

1 inches (4.5"), regardless of ring size as specified by the  
2 manufacturer's label.

3 2. Standard Cigars: ~~Twenty Two Cents (\$0.22)~~  
4 Forty-Four Cents (\$0.44) Per Cigar. Standard Cigars are  
5 defined as cigars with a ring size of more than forty (40), but  
6 less than sixty-four (64) as specified by the manufacturer's  
7 label.

8 3. Large Cigars: ~~Twenty Five Cents (\$0.25)~~ Fifty  
9 Cents (\$0.50) Per Cigar. Large Cigars are defined as cigars with  
10 a ring size of more than sixty-four (64), or a length of more  
11 than eight inches (8"), regardless of the ring size as specified by  
12 the manufacturer's label.

13 4. Where no ring size or length is specified by the  
14 manufacturer's label, the tax shall be ~~Twenty Two Cents~~  
15 ~~(\$0.22)~~ Forty-Four Cents (\$0.44) per cigar. For purposes of this  
16 Section, ring size shall be defined as the usually accepted  
17 measure used by cigar manufacturers for determining the  
18 diameter of cigar at its widest point. A ring size of one (1) is  
19 equal to one sixty fourth (1/64) of an inch.

20 (c) Other Tobacco Products. A tax at the rate of ~~Three~~  
21 ~~Dollars and Fifty Cents (\$3.50)~~ Seven Dollars (\$7.00) per pound for  
22 all other tobacco products to be prorated in accordance with the size  
23 of the package to be taxed.

24 (d) Creation of the Healthy Futures Fund. There is hereby  
25 created the Healthy Futures Fund (Fund) which shall be maintained  
26 separate and apart from other funds of the government of Guam and  
27 shall be kept in a separate bank account and shall *not* be subject to any

1 transfer authority of *I Maga'lahaen Guåhan*. All proceeds from taxes  
2 collected under this Section shall be deposited into the Fund and shall  
3 not be commingled with the General Fund. The Fund is subject to the  
4 following:

5 (1) Fifty Percent (50%) of the taxes collected shall be  
6 subject to *I Liheslaturan Guåhan*'s appropriation for the  
7 following purposes:

8 (i) health, education, public safety and social  
9 programs providing awareness on tobacco and alcohol  
10 and substance abuse prevention, cessation, treatment and  
11 control; programs and activities for improving overall  
12 health and well-being; and, programs that enforce alcohol  
13 regulations;

14 (ii) public safety and social programs that enforce  
15 alcohol and substance abuse regulations, reduce underage  
16 drinking, support traffic safety, reduce drug-related  
17 violence and abuse;

18 (iii) community-based drug and substance abuse  
19 prevention programs; and

20 (iv) matters pertinent to the items, supra, as  
21 deemed appropriate by *I Liheslaturan Guåhan*, with  
22 preference shall be given to programs directed towards  
23 youth, low-income or at-risk persons and families, drug,  
24 alcohol, tobacco and substance prevention, cessation, and  
25 treatment, preventative health care, and chronic disease  
26 management.

1                   (2) Fifteen percent (15%) of the taxes collected and  
2                   any subsequent gains shall be transferred into the Guam Cancer  
3                   Trust Fund for programs supporting cancer screening,  
4                   treatment, and support services;

5                   (3) Twelve percent (12%) of the taxes collected to  
6                   Guam Memorial Hospital Authority for operating expenses;

7                   (4) Eleven percent (11%) of the taxes collected to the  
8                   Department of Public Health and Social Services for health  
9                   promotion and disease prevention programs that attempt to  
10                  reduce resources spent on treating preventable illness and  
11                  functional impairment, enhance the quality of life, and/or  
12                  reduce disparities in the health status of populations;

13                  (5) Eleven percent (11%) of the taxes collected to the  
14                  Department of Mental Health and Substance Abuse for tobacco  
15                  prevention and cessation programs that attempts to reduce  
16                  tobacco consumption;

17                  (6) One percent (1%) of the taxes collected shall be  
18                  used to maintain the Guam Cancer Registry.

19                  (e) Creation of the Guam Cancer Trust Fund. There is  
20                  hereby created the Guam Cancer Trust Fund which shall be used to  
21                  provide financial assistance to organizations that provide patient  
22                  directed services for the prevention of cancers, its treatment,  
23                  diagnosis, and other services that may be required to access treatment,  
24                  including but not limited to off island transportation and temporary  
25                  housing. The Guam Cancer Trust Fund shall be subject to the  
26                  following:

1           (1) Fifteen percent (15%) of the Healthy Futures Fund into  
2 the Guam Cancer Trust Fund which shall be held in an account at a  
3 Guam financial institution separate and apart from all other accounts  
4 and funds of the government of Guam and shall not be subject to the  
5 transfer authority of *I Maga'lahaen Guåhan*.

6           (2) The University of Guam, for each fiscal year may  
7 allocate up to 75% of the funds balance to non-profit and charitable  
8 organizations providing cancer screenings, treatment, and support  
9 services. The University of Guam shall promulgate rules and  
10 regulations pursuant to 5 GCA 4 regarding the administration of the  
11 Guam Cancer Trust Fund as well as the application, distribution,  
12 review and investigation of such funds. Such rules and regulations  
13 shall be posted on the University's website.

14           (i) The initial rules and regulations governing the Guam  
15 Cancer Trust Fund shall be submitted to *I Liheslatura* within  
16 ninety (90) days from date of effect of this act.

17           (3) The Guam Cancer Trust Fund may receive additional  
18 appropriations, contributions, endowments, or gifts in cash or  
19 otherwise from any source, including the Territory of Guam,  
20 corporations or other businesses, individuals, other interested parties.

21           (4) The aggregate principal sum deposited in the Guam Cancer  
22 Trust Fund shall be invested by the University of Guam subject to its  
23 investment policy as established by the Board of Regents.

24           (5) If the administrative office designated by the University of  
25 Guam to administer the Guam Cancer Trust Fund is dissolved, the  
26 director of the Department of Revenue and Taxation with the

1 concurrence of *I Maga'lahen* shall select a successor entity. If the  
2 Guam Cancer Trust Fund is terminated, the moneys remaining in the  
3 trust fund shall revert back to the Healthy Futures Funds.

4 (6) The President of the University of Guam shall report, on a  
5 quarterly basis to the Speaker of *I Liheslaturan Guåhan* the revenues  
6 collected, gained, and expended from the Guam Cancer Trust Fund  
7 and shall post such report on the University's website.

8 (d) The Director of the Department of Administration shall report  
9 on a quarterly basis to the Speaker of *I Liheslaturan Guåhan* the revenues  
10 collected and expended from ~~this Fund~~ the Healthy Futures Fund and shall  
11 post such report on the Department's website.”

12 **Section 3. Date of Effect.** The new tax rates established in Subsections  
13 (a), (b) and (c) of §26603 of Article 6, Chapter 26, Title 11, Guam Code  
14 Annotated, as established pursuant to Section 2 of this Act, shall take effect ninety  
15 (90) day from the date of enactment of this Act.

*MINA' TRENTA NA LIHESLATURAN GUÅHAN*  
2009 (FIRST) Regular Session

2009 JUN 15 AM 10: 22  
Kw

Bill No. 150 (COR)

Introduced by:

B.J.F. Cruz 

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**AN ACT TO AMEND §26603 (a), (b), AND (c) OF ARTICLE 6,  
CHAPTER 26, TITLE 11 RELATIVE TO INCREASING THE  
TOBACCO TAX.**

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

**Section 1. Legislative Findings and Intent.** *I Liheslaturan*

*Guåhan* finds that studies in medical journals continuously disclose the harmful effects of smoking. Smoking harms virtually every organ in the body and reduces a person's overall health. It causes cancers of the lung, esophagus, larynx, mouth, throat, kidney, bladder, pancreas, stomach, and cervix, as well as acute myeloid leukemia. Smoking is a leading cause of cancer and of death from cancer. Smoking also causes heart disease, stroke, chronic bronchitis, emphysema, hip fractures, and cataracts. A pregnant smoker is at higher risk of having her baby born too early and with an abnormally low weight. A woman who smokes during or after pregnancy increases her infant's risk of death from Sudden Infant Death Syndrome. *I Liheslaturan Guåhan* finds that daily more than 3,500 children in the United States try their first cigarette; and daily 1,000 children less than 18 years of age become daily smokers. Twenty percent of all high school students (9-

1 12 grades) are current smokers, including 18.7 percent of females and  
2 21.3 percent of males. Almost 90 percent of adult smokers began at  
3 or before age 18. *I Liheslaturan Guåhan* finds that cigarette smoking  
4 and exposure to tobacco smoke cause an estimated average of 438,000  
5 premature deaths each year in the United States. Of these premature  
6 deaths, about 40 percent are from cancer, 35 percent are from heart  
7 disease and stroke, and 25 percent are from lung disease. Smoking is  
8 the leading cause of premature, preventable death in this country. *I*  
9 *Liheslaturan Guåhan* further finds that according to the Department  
10 of Mental Health and Substance Abuse, “our island has the HIGHEST  
11 RATE of adult tobacco use among all the U.S. States and Territories,  
12 at least one person on Guam dies from tobacco use, over 60% of  
13 cancers on Guam are due to tobacco, and 66% of Guam’s students are  
14 exposed to second hand smoke.” Therefore, *I Liheslaturan Guåhan*  
15 finds it is appropriate to increase Guam’s Tobacco Tax to quell the  
16 near epidemic usage of tobacco. All of the money from the increase  
17 in tobacco taxes will continue to go to the Healthy Futures Fund.

18 **Section 2.** § 26603. of Article 6, Chapter 26, of Title 11, Guam  
19 Code Annotated is hereby *amended* to read:

20 **“§ 26603. Rates.**

21 The following rates shall apply in computing, assessing and  
22 collecting Tobacco Tax:

23 (a) Cigarettes. A tax at the rate of ~~Five Dollars (\$5.00)~~ Seven  
24 Dollars and Fifty Cents (\$7.50) per one hundred (100) cigarettes to be  
25 prorated in accordance with the number of cigarettes contained in the  
26 individual package taxed.

1 (b) Cigars. The tax rates for cigars shall be based on the  
2 following sizes:

3 1. Mini Cigars: ~~Twenty Cents (\$0.20)~~ Thirty Cents  
4 (\$0.30) Per Cigar. Mini Cigars are defined as cigars with a ring  
5 size of forty (40) or less, or a length of less than four and one-  
6 half inches (4.5"), regardless of ring size as specified by the  
7 manufacturer's label.

8 2. Standard Cigars: ~~Twenty Two Cents (\$0.22)~~ Thirty-  
9 Three Cents (\$0.33) Per Cigar. Standard Cigars are defined as  
10 cigars with a ring size of more than forty (40), but less than  
11 sixty-four (64) as specified by the manufacturer's label.

12 3. Large Cigars: ~~Twenty Five Cents (\$0.25)~~ Thirty-Seven  
13 Cents (\$0.37) Per Cigar. Large Cigars are defined as cigars  
14 with a ring size of more than sixty-four (64), or a length of  
15 more than eight inches (8"), regardless of the ring size as  
16 specified by the manufacturer's label.

17 4. Where no ring size or length is specified by the  
18 manufacturer's label, the tax shall be ~~Twenty Two Cents~~  
19 ~~(\$0.22)~~ Thirty-Three Cents (\$0.33) per cigar. For purposes of  
20 this Section, ring size shall be defined as the usually accepted  
21 measure used by cigar manufacturers for determining the  
22 diameter of cigar at its widest point. A ring size of one (1) is  
23 equal to one sixty-fourth (1/64) of an inch.

24 (c) Other Tobacco Products. A tax at the rate of ~~Three Dollars~~  
25 ~~and Fifty Cents (\$3.50)~~ Twenty-One Dollars (\$21.00) per pound for  
26 all other tobacco products to be prorated in accordance with the size  
27 of the package to be taxed."

1           **Section 3. Effective Date.** This new tobacco tax shall take  
2 effect 30 days after ratification by the voters of Guam in a referendum  
3 during the General Election to be held November 2, 2010.



SENATOR FRANK B. AGUON, JR., Chairman  
 COMMITTEE ON ECONOMIC DEVELOPMENT, HEALTH & HUMAN SERVICES, AND JUDICIARY  
 I Mina' Trenta na Liheslaturan Guahan • 30th Guam Legislature

PUBLIC HEARING DATE / TIME: Tuesday, July 28, 2009 / 1:00 pm

AGENDA ITEM: BILL NO. 150 (COR) - B.J.F. CRUZ

An act to amend §26603 (a), (b), and (c) of Article 6, Chapter 26, Title 11 relative to increasing the Tobacco Tax.

NAME (PRINT)	SIGNATURE	AGENCY OR ORGANIZATION	ORAL TESTIMONY	WRITTEN TESTIMONY	IN FAVOR	OPPOSE	CONTACT #
✓ ANNETTE M DAVID	<i>[Signature]</i>	Health Partners, LLC	✓	✓	✓		646-5237
✓ GUANAYANON Christina Noel	<i>[Signature]</i>		✓	✓	✓		688-5153
✓ JESPER ROBERTO	<i>[Signature]</i>	<del>Health Partners</del>	✓	✓	✓		1A19107
✓ Marisha Artero	<i>[Signature]</i>	AM. Cancer Society	✓	✓	✓		477-9451
✓ Helen Wherry	<i>[Signature]</i>	UO G	✓	✓	✓		735-2977
✓ Tom Shipley	<i>[Signature]</i>	Shubert	✓	✓	✓		688-2239
✓ J. B. B. W.	<i>[Signature]</i>	GRCC	✓	Reading	✓		649-1001
✓ Filandson	<i>[Signature]</i>	AMA Delegation	✓	✓	✓		688-8952
✓ Lee Sattreker	<i>[Signature]</i>	GCACC	✓	✓	✓		687-7637
✓ Ron McInnell	<i>[Signature]</i>	Amer. Cancer Soc.	✓	✓	✓		788-8889
✓ Juanita Blair	<i>[Signature]</i>	Mon / IGP	✓	✓	✓		688-4752
✓ DAN ROSENBERG	<i>[Signature]</i>	ACS	✓	✓	✓		477-9575
✓ MICHAEL S. GILLES	<i>[Signature]</i>	WOL	✓	✓	✓		688-5590

## **Statement of Thomas Shieh, MD, FACOG**

Board Certified Diplomate of the American Board of Obstetrics & Gynecology  
Fellow of the American College of Obstetricians and Gynecologists

Before The  
Committee on Health, Human Services and Members of the 30<sup>th</sup> Guam Legislature On

### **Bill 150**

**July 28, 2009**

Chairman Aguon, members of the Health and Human Services Committee, and members of the 30<sup>th</sup> Guam Legislature,

Thank you for the opportunity to discuss the issues and concerns on the negative health effects of tobacco and how increases in price will decrease consumption and improve public health.

As a board certified ob-gyn, I will focus the majority of my views specifically on women's health and tobacco.

As documented by the American Public Health Association, "Higher cigarette excise taxes reduced smoking rates among pregnant women. A tax hike of \$0.55 per pack would reduce maternal smoking by about 22%. Overall, a 10% increase in price would reduce smoking rates by 7%. Estimates for subpopulations suggested that nearly all would be very responsive to tax changes, including the subpopulations with the highest smoking rates."

Additionally, a study published in the Journal of Tobacco Control in 2008, concluded that "Increasing the price of tobacco products may be more effective in reducing smoking among lower-income adults and those in manual occupations, although there was also some evidence to suggest that adults with higher levels of education may be more price-sensitive. Young people aged under 25 are also affected by price increases, with some evidence that boys and non-white young people may be more sensitive to price."

It is a fact that women share a much larger burden of smoking-related diseases. The number one cancer in both men and women is lung cancer. And smoking is directly responsible for 80 percent of lung cancer deaths in women in the U.S. each year. My own mother fell victim to second hand smoke and I went through one of the worst points of my life last year witnessing the suffering of my own mother battling lung cancer.

Here are the facts:

- \* Female smokers are nearly 13 times more likely to die from COPD (emphysema and chronic bronchitis) compared to women who have never smoked.<sup>3</sup> In 2008, an estimated 71,030 women will die of lung and bronchus cancer.

- \* Smoking is directly responsible for more than 90 percent of chronic obstructive pulmonary disease (COPD), or emphysema and chronic bronchitis deaths each year.<sup>5</sup> In 2005, about 52 percent of all COPD deaths were in women. This is the sixth year in a row that women have outnumbered men in deaths attributable to COPD.

- \* Annually, cigarette smoking kills an estimated 173,940 women in the United States.

- \* Women who smoke also have an increased risk for developing cancers of the oral cavity, pharynx, larynx (voice box), esophagus, pancreas, kidney, bladder, and uterine cervix.

- \* Women who smoke double their risk for developing coronary heart disease.

- \* Postmenopausal women who smoke have lower bone density than women who never smoked. Women who smoke have an increased risk for hip fracture compared to never smokers. Cigarette smoking also causes skin wrinkling that could make smokers appear less attractive and prematurely old.

- \* Women have been extensively targeted in tobacco marketing dominated by themes of an association between social desirability, independence, weight control and smoking messages conveyed through advertisements featuring slim, attractive, and athletic models.

- \* Teenage girls often start to smoke to avoid weight gain and to identify themselves as independent and glamorous, which reflect images projected by tobacco ads. Social images can convince teens that being slightly overweight is worse than smoking. Cigarette advertising portrays cigarettes as causing slimness and implies that cigarette smoking suppresses appetite.

- \* Between 1999 and 2003, cigarette smoking prevalence among high school girls decreased by 37 percent. However, between 2003 and 2007, there was only a 2.3 percent decrease in prevalence of cigarette use among high school girls. While the overall trend in cigarette smoking among teenage girls has been decreasing, it is doing so at a slower rate.

- \* In 2005, 10.7 percent of women smoked during pregnancy, down almost 42 percent from 1990.

\* Since 1990 teenagers and young adults have had the highest rates of maternal smoking during pregnancy. In 2005, 16.6 percent of female teens aged 15-19 and 18.6 percent of women aged 20-24 smoked during pregnancy.

\* Neonatal health-care costs attributable to maternal smoking in the U.S. have been estimated at \$366 million per year, or \$740 per maternal smoker.

\* Mothers who smoke can pass nicotine to their children through breast milk. Cigarette smoking not only passes nicotine on to the fetus; it also prevents as much as 25 percent of oxygen from reaching the placenta. Smoking during pregnancy accounts for 20 to 30 percent of low-birth weight babies, up to 14 percent of preterm deliveries and about 10 percent of all infant deaths.

\* Additionally, infants are more likely to develop colds, bronchitis, and other respiratory diseases if secondhand smoke is present in the home or day care center. Maternal smoking has also been linked to asthma among infants and young children. The odds of developing asthma are twice as high among children whose mothers smoke more than 10 cigarettes a day.

\* Reducing frequency of smoking may not benefit the baby. A pregnant woman who reduces her smoking pattern or switches to lower tar cigarettes may inhale more deeply or take more puffs to get the same amount of nicotine as before.

\* The most effective way to protect the fetus is to quit smoking. If a woman plans to conceive a child in the near future, quitting is essential. A woman who quits within the first three or four months of pregnancy can lower the chances of her baby being born premature or with health problems related to smoking.

\* Women who quit smoking greatly reduce their risk of developing smoking-related diseases and dying prematurely.

\* Women who quit smoking relapse for different reasons than men. Stress, weight control, and negative emotions, lead to relapse among women.

\* A study found among middle-aged smokers and former smokers with mild or moderate chronic obstructive pulmonary disease breathed easier after quitting. After one year the women who quit smoking had 2 times more improvement in lung function compared with the men who quit.

Mr. Chairman, this concludes my formal statement. I hope you and members of your committee, along with the 30th Guam Legislature will take a serious look for the adoption of this bill and to add more restrictions on smoking in public areas to decrease the harm from second hand smoke.

I also encourage you to look at the issue of curbing alcohol abuse and prevent true underage drinking here on Guam as the negative health effects from alcohol also has

caused a lot of harm within our community. Both products of tobacco and alcohol combined have increased the mortality and morbidity to Guam's population, and I encourage you to consider a bill as well to raise the minimum drinking age on Guam to 21 to be consistent with the rest of the United States of America.

Thank you and I look forward to working with you, members of your committee and other lawmakers in passing positive healthcare bills and improving the health and safety for everyone on Guam.



28 July 2009

Honorable Frank B. Aguon, Jr.  
Ste. 701A, DNA Bldg.  
238 Archbishop Flores St.  
Hagåtña, Guam 96910

Dear Senator Aguon:

The data is clear: tobacco is the major cause of cancer on Guam. Cancer now ranks second as a leading cause of death on our island, and causes significant disability and poor health for our people. Raising taxes on tobacco is one of the fastest and most effective means to reduce smoking within a population, especially among two of the most vulnerable groups in a community---youth and the poor. Thus, raising tobacco taxes can be viewed as a strategy to protect Guam's youth and the poor from tobacco. Reducing tobacco use means fewer cancers in the future.

The cost for treating cancer is astronomical. One course of chemotherapy alone can run into the tens of thousands of dollars. Moreover, cancer care is chronic care. The costs accrue over time. Sadly, most insurance plans do not adequately cover all of the costs for treating cancer. Cancer patients have to use up their own funds, often depleting savings and occasionally going into debt, to finance their care. Cancer care also costs the entire community, because off-island care and expensive cancer treatments have to be partially borne by GovGuam. Because cancer is so prevalent among our community, it is imperative that we find a sustainable means of helping cancer patients pay for their care. **Raising tobacco taxes provides a two-fold benefit: by reducing tobacco use, it helps to PREVENT new cancers from forming and, by earmarking tax revenues for cancer care, it helps FINANCE cancer treatments for those in our community stricken with cancer.**

Strong evidence exists that demonstrates a 3-4% reduction in smoking prevalence for every 10% increase in tobacco tax. Given the high smoking prevalence on Guam, our community would benefit greatly from a significant tax increase on tobacco products. Earmarking a portion of the tax revenues to fund cancer prevention and care is a critical component, as this provides a sustainable source of local funding for cancer care. The global experience affirms that raising tobacco taxes does not lead to business closures. Instead, the World Bank has proven that raising tobacco taxes is an efficient way of raising government revenue while providing a health benefit to the population; that is, it is both a sound FISCAL policy and an effective PUBLIC HEALTH policy.

We understand that a substituted version of Bill 150 exists, earmarking a portion of the tobacco tax revenues for cancer prevention and care. We urge you and the other Senators to adopt this substituted version and quickly enact it into law, without the need for time-consuming exercises like a referendum. Every day, Guam's people are getting diagnosed with cancer. Every day, these individuals are subjected to the financial hardship of cancer care. You have it within your power to make a positive difference in the lives of these members of our community while protecting future generations from cancer. Please act now and pass the substituted version of Bill 150.

Sincerely,

Annette M. David, MD, MPH  
Chair, Guam Comprehensive Cancer Control Coalition

For more information please contact:

DPHSS, Guam Comprehensive Cancer Control Program  
123 Chalan Kareta, Mangilao, Guam 96913-6304  
Telephone: (671) 735-7335 Fax: (671) 734-2066  
<http://dphss.guam.gov>



Cancer Research Center of Hawaii  
UNIVERSITY OF HAWAII

UNIVERSITY  
OF GUAM

Unibetsedåt  
GUAHAN

University of Guam/Cancer Research Center of Hawaii Partnership

Minority Institution/Cancer Center Partnership (MI/CCP)

July 28, 2009

Honorable Senator Frank B. Aguon, Jr.  
Chairman, Committee on Economic Development,  
Health and Human Services, and Judiciary  
Ste. 701A DNA Bldg  
238 Archbishop Flores St.  
Hagåtña, GUAM 96910

**RE: Testimony on Bill 150 as Substituted, AN ACT TO AMEND §22603 (a), (b), AND (c) OF ARTICLE 6, CHAPTER 26, TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO INCREASING TOBACCO TAXES, THE HEALTHY FUTURES FUND, AND CREATING A GUAM CANCER TRUST ACCOUNT**

Dear Senator Aguon and members of the Committee,

Thank you for the opportunity to present testimony concerning Bill 150 as substituted which raises the tax on tobacco products sold on Guam and Bill 150 as substituted which, in addition, focuses the increased taxes on funding health outreach, education, and support to our island residents. While the original Bill 150 was a step in the right direction, the substituted version provides an additional component to a proposed tax increase, by earmarking a portion of the tax revenues specifically for cancer prevention programs and cancer care. It is critical that this substituted version, with the earmarking provision, be the one that is adopted.

Let there be no mistake about the intention of this testimony. I fully support such a tax increase, not so much as a deterrent, although research shows that increasing taxes is correlated with a decrease in smoking levels, but because the use of tobacco is so virulent and the health risks associated with smoking are so costly to society as a whole that a sizable tax would go part of the way towards ensuring that if you so choose to use tobacco despite the warnings, that your cost of smoking provides some funds to mitigate the effects from such use.

The Evidence

An Institute of Medicine (IOM) study in 2007 calls for comprehensive, evidence-based programs to achieve substantial reductions in tobacco use in all states and areas. IOM concluded that substantial and enduring reductions in tobacco use depend on federal and state government's steps to increase taxes, enact bans on smoking in public spaces, and increase health-care coverage for effective cessation interventions. (IOM, 2007) We have smoking bans in public places. We need both an increase in taxes and making sure all health care covers tobacco use cessation interventions.

Healthy People 2010 calls for all states and territories of the U.S. to reduce adult cigarette smoking prevalence to 12%. (USDHSS, 2000) Both Utah and the Virgin Islands have already met this goal. California and Puerto Rico have also met it for smoking prevalence among women only. However, Guam's adult rate was 31.1% in 2007, so we have a long way to go.

The New Zealand Medical Journal (12 October 2007) in *Tobacco Smoking Prevalence in Pacific Island Countries and Territories: a Review* graphically illustrated the levels of tobacco use among Pacific Islander populations in the region and concluded that all Pacific Island countries and territories should proceed with measure such as taxation and other legislation and policies as well as improve the monitoring of tobacco use. Without such immediate action, the authors warn that the social and public health burden from cardiovascular disease and cancer is like to continue to plague peoples of the Pacific. (Rasanathan and Tukuitonga, 2007)

A study in Canada considered the converse, what happens to smoking prevalence rates when cigarette taxes are reduced? Their conclusion was that tobacco tax cuts appeared to have induced more nonsmokers to take up smoking and led fewer smokers to quit. (Hamilton, et. al., 1997)

Finally, a classic study demonstrated that every 10% increase in the real price of cigarettes reduces overall cigarette consumption by approximately 3% to 5%, reduces the number of young-adult smokers by 3.5%, and reduces the number of smokers under the age of 18 by approximately 7%. (Chaloupka, 1999) Other evaluation reports from many states and countries have demonstrated a clear correlation between increasing taxes and decreasing smoking rates.

#### The Public Burden of Cost

The US Centers for Disease Control and Prevention estimates that smoking-caused health costs taxpayers a total of \$10.28 per pack sold and consumed in the US.

Using numbers from California in 2008, the costs to society associated with tobacco use are approximately \$3,331 per smoker per year. On Guam, using those numbers, it translates to a cost of about \$100 M per year. Assuming a pack per day for a smoker, ameliorating that cost would require a tax of \$9.13 per pack of cigarettes. So asking a smoker who willingly takes on this burden to his/her health to pay an extra amount is a reasonable request.

#### Conclusion

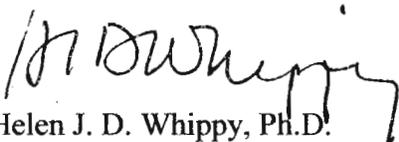
Given the urgency of the situation with regards to providing cancer care support to our community, I urge our senators to pass this substituted bill immediately and not delay the implementation by waiting for a referendum.

This is the single most effective policy measure that can be taken to lower tobacco consumption rates and ensure sustainable local funding for continuing work in tobacco control, education and prevention, as well as cancer research and outreach.

Most health-related risk factors that can be controlled, either personally or by society, are not as straightforward as tobacco use, which has no redeeming alternative applications. The use of tobacco products, smoking cigarettes in particular, is a risk factor for cancer, heart disease and disorders of the lungs and bronchial tubes. We can discourage this use by taxation, and educate our citizens by appropriate outreach and education programs, using the tax revenue generated.

As for the mention of the University of Guam in the Bill, we appreciate the fact that the University is seen as an impartial and evidence-based center for handling such programs and funds as are described by the substituted Bill 150. Administering this new program adds an additional mandate for the University, and would require that funding be provided as indicated. This is an important task and the University would use the funds to serve the intent of the legislation with accountability in mind.

Yours sincerely,



Helen J. D. Whippy, Ph.D.  
Principal Investigator,  
University of Guam Cancer Research Center

## References

Chaloupka, R., Macro-Social influences: the effects of prices and tobacco control policies on the demand for tobacco products, Nicotine and Tobacco Research, 1999

Hamilton, V. H.; Levinton, C.; St-Pierre, Y.; Grimard, F., Canadian Medical Association Journal, The effect of tobacco tax cuts on cigarette smoking in Canada, January 1997; 156(2).

Institute of Medicine (IOM). Ending the tobacco problem: a blueprint for the nation. Washington, DC: The National Academies Press; 2007

Rasanathan, K., Tukuitonga, C. F. Tobacco smoking prevalence in Pacific Island counties and territories: a review. The New Zealand Medical Journal (12 October 2007, Vol 120 No 1263)

US Department of Health and Human Services (USDHHS). Healthy people 2010 (conference ed. in 2 vols). Washington, DC: US Dept of Health and Human Services; 2000. Available at <http://www.health.gov/healthypeople>



# GOVERNMENT OF GUAM



## DEPARTMENT OF PUBLIC HEALTH AND SOCIAL SERVICES

DIPATTAMENTON SALUT PUPBLEKO YAN SETBISION SUSIAT

Felix P. Camacho  
Governor

#123 Chalan Kareta  
Mangilao, Guam 96913-6304

J. Peter Roberto, ACSW  
Director

Michael W. Cruz, M.D.  
Lieutenant Governor

Honorable Frank B. Aguon, Jr.  
Ste. 701A, DNA Bldg.  
238 Archbishop Flores St.  
Hagåtña, Guam 96910

JUL 28 2009

**RE: Letter in Support of Bill 150 (An act to amend Subsection 26603 (a), (b) and (c) of Article 6, Chapter 26, Title 11 relative to increasing the tobacco tax).**

Dear Senator Aguon:

***Hafa Adai!*** The Department of Public Health and Social Services strongly support Bill 150 (An act to amend Subsection 26603 (a), (b) and (c) of Article 6, Chapter 26, Title 11 relative to increasing the tobacco tax). While Bill 150 is a step in the right direction, I understand that a substitute version provides an additional component to the proposed tax increase, by earmarking a portion of the tax revenues specifically for cancer prevention and cancer care. It is critical that this substituted version, with the earmarking provision, is the one that is adopted.

Tobacco use in all of its forms is the MAJOR preventable cause of cancer on Guam. Tobacco is also linked with heart disease, stroke and chronic lung disease. Many of these diseases rank in the Top 10 Leading Causes of Death of death on our island.

In 2008, the Guam Behavioral Risk Factor Surveillance Survey reported that the adult tobacco use prevalence rate was 27.3%, the highest smoking rate of all US States and Territories. It is so high that smoking among females on Guam is higher than the average rate for smoking among males in the US. Raising taxes on tobacco is one of the fastest and most effective means to reduce smoking within a population, especially among 2 of the most vulnerable groups in a community---youth and the poor.

Reducing tobacco use means fewer cancers in the future. The cost for treating cancer is astronomical. One course of chemotherapy alone can run into the tens of thousands of dollars. Cancer care is chronic care. The costs accrue over time. Most insurance plans do not adequately cover all of the costs for treating cancer. Cancer patients have to use up their own funds, often depleting savings and occasionally going into debt, to finance their care. Cancer care also costs the entire community, because off-island care and expensive cancer treatments have to be partially borne by the Government of Guam. Because cancer is now the 2<sup>nd</sup> leading cause of death on Guam, and is prevalent among our community, it is imperative that we find a sustainable means of helping cancer patients pay for their care. *Raising tobacco taxes provides a two-fold benefit:* by reducing tobacco use, it helps to PREVENT new cancers from forming and,

by earmarking tax revenues for cancer care, it helps FINANCE cancer treatments for those in our community stricken with cancer.

Strong evidence exists that demonstrates a 3-4% reduction in smoking prevalence for every 10% increase in tobacco tax. Given the high smoking prevalence on Guam, our community would benefit greatly from a significant tax increase on tobacco products. Earmarking a portion of the tax revenues to fund cancer prevention and care is a critical component, as this provides a sustainable source of local funding for cancer care. The global experience affirms that raising tobacco taxes does not lead to business closures. Instead, the World Bank has proven that raising tobacco taxes is an efficient way of raising government revenue while providing a health benefit to the population. On Guam, the tax increase in 2003 raised Government of Guam revenues from an average of \$600,000/year to about \$5,000,000.00 per year, a more than eight-fold increase in revenues. Taxing tobacco products is a fair way of raising money to fund cancer care, rather than an across the board raise in GRT. Legitimate businesses that do not promote a cancer-causing unhealthy product do not deserve to pay for cancer care. It is only just to obtain the revenue for cancer care from the industry that promotes the major preventable cause of cancer on our island.

Further, Substitute Bill 150 also specifically earmarks resources to the Guam Memorial Hospital Authority, the Department of Mental Health and Substance Abuse and to the Department of Public Health and Social Services. These entities are part of a network to address tobacco prevention, addition, and treatment.

Substitute Bill 150 should be passed immediately by this body without the need for a referendum or the like. When passed Guam will lead the way in the Western Pacific for a healthier community. This legislation will strengthen our current smoke-free law, help to further protect our people from tobacco-related harm, and will better ensure a healthier Guam. We commend this Legislature for taking this bold step in promoting health, independence, and a tobacco free people. *Si Yu'os Ma'ase.*

Sincerely,

A handwritten signature in black ink, appearing to read "J. Peter Roberto", with a stylized flourish at the end.

J. PETER ROBERTO, ACSW  
Director

July 28, 2009

Honorable Senators, community leaders and colleagues,

I am here today to give my support for Bill 150. While Bill 150 is a step in the right direction, I understand that a substituted version fences a portion of the tax generated revenues specifically for cancer prevention and care. It is critical because of this island's increasing healthcare burden that this substituted version, with securely fenced funds, is the one that is adopted. Given the urgency of the situation with regards to providing cancer care support to our community, this substituted bill should be passed immediately by you without the need for referendum.

I am the Policy and Advocacy Team Leader for the Guam Comprehensive Cancer Control Coalition. In this capacity, I hear and read many proposals to help our community prevent and treat cancer. The substituted version of Bill 150 will directly affect cigarette smoking which is our leading preventable cause of death. This bill would discourage the initiation of smoking, assist others to make the decision to quit and provide desperately needed money to pay for prevention and treatment efforts here on Guam.

I am also a Rotarian and would like to share our Four Way Test with you. It is recommended that Rotarians evaluate our intentions against the Four Way Test before speaking or acting.

The first question simply asks '**Is it the truth?**' I have tried to apply the little I understand of statistics to highlight the truth of the current and future costs incurred by this community if you do or do not pass the bill before you. Please listen to your conscience and view the data and testimony objectively so that you may 'see' the truth.

**Is it fair to all concerned?** Is it morally sound to sell substances that have proven to be more difficult to quit than heroin and are extremely physically destructive as well as carcinogenic? That is a question for another day. What I would ask you to consider is that the cost to this community in terms of healthcare and lost productivity for a pack of cigarettes is more than twice cost of the pack itself. Those to whom the cigarettes have been sold, addicted to and continue to purchase cigarettes do not have that option of getting a second set of lungs, having a heart transplant or magically having their cancer removed. Fair in the larger picture has to be weighed using all positives and negatives that the sale of cigarettes brings to Guam. The substituted version of Bill 150 asks you to protectively fence a majority of the funds raised to defray the cost of cancer prevention and care on Guam. Jack E. Henningfield, PhD, Addictive Qualities of Popular Drugs, NIDA (The National Institute on Drug Abuse).

Our next question asks '**Will it build goodwill and better friendships?**' Tobacco smoking is known, not thought to, but known to cause multiple deleterious health effects. Bill 150 asks that you, our legislative leaders, vote for what is best for the whole of Guam. Goodwill will be generated by the legislature's focus on our future.

**Will it be beneficial to all concerned?** Your challenge is to set the example for this community, and especially to our children, by doing the right thing regardless of how twisted some of the arguments become. Guam's health is at stake. Our guiding principles and values need to be clear with this legislation. If this Bill is not passed I am afraid that our children's sense of worth will significantly be damaged and we will bear the brunt of this stunted self-image. They will be able to look back at this piece of legislation as an example for them to emulate when they are faced with similar challenges in their future. How can we expect it of them if we won't demand it of ourselves and our community?

I believe the substituted Bill 150 passes the four way test.

#### **Why would I bother to come before you to testify?**

Cigarette smoking is the number one preventable cause of illness and death in the United States. 'Preventable' is the key. We have a cigarette tax rate in the lower third of the US that correspondingly encourages the second highest rate of smoking.

There is absolutely no consumer product or category of consumer product other than cigarettes and tobacco products that inevitably causes disease, disability, and death and enormous social and economic costs **when used exactly as intended and directed.**

Taxing cigarettes works directly to reduce smoking rates and related harms and costs **and does not harm or restrict any beneficial uses of cigarettes because there are not any.**

The tobacco industry fears cigarette tax increases because they have been demonstrated to be one of the most influential factors in the sales of cigarettes. This will be one of your best opportunities to impact Guam's health.

Most facts and figures were provided by the Campaign for Tobacco-Free Kids at <http://www.tobaccofreekids.org/research/>

## The Burden

19.8% (> 40M) of US adults were smokers in 2007. Centers for Disease Control and Prevention. Cigarette Smoking among Adults — United States, 2007, 2000-2004. MMWR Morb Mortal Wkly Rep. 2008; 57(45):1221-1226

Guam's 2007 smoking rate was <sup>31</sup>~~26~~% (<sup>37</sup>32% for males and <sup>23</sup>20% for females) Guam's Department of Public Health & Social Services, calculated using CDC's Behavioral Risk Factor Surveillance System.

Guam is almost dead last (highest rates) in percentages of both youth and adult smokers (Table 1.) One of the reasons that we carry the highest burden of smokers is our cigarette prices are so low; our cigarette tax is 30% below the national average. The low cost of these destructive poison delivering devices we call cigarettes creates an enormous burden shared by all on Guam in the form of healthcare cost sharing. You might say that it is a personal choice but that would ignore the destructive nature of second hand smoke as well as maternal and neonatal sickness. Children of smokers do not have a choice with second hand smoke. If you think that those who smoke will bear the financial burden alone think again. Anything that cannot be paid by them will be cost shared by the entire community as higher prices and premiums. GMH will suffer if they are not paid, and they in turn, will also be challenged to pay their bills, putting you and me at risk because they will not be able to stock needed supplies, reagents, medications and equipment.

The total economic costs (direct medical costs and lost productivity) associated with cigarette smoking are estimated at \$10.47 per pack of cigarettes sold in the United States. Centers for Disease Control and Prevention. Sustaining State Programs for Tobacco Control: Data Highlights 2006. Atlanta: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health; 2006.

Cigarette smoking costs more than \$193 billion (\$97 billion in lost productivity and \$96 billion in health care expenditures) per year. Centers for Disease Control and Prevention. Smoking-Attributable Mortality, Years of Potential Life Lost, and Productivity Losses—United States, 2000–2004. Morbidity and Mortality Weekly Report [serial online]. 2008;57(45):1226–1228.

Health care costs associated with exposure to secondhand smoke average \$10 billion annually. Behan DF, Eriksen MP, Lin Y. Economic Effects of Environmental Tobacco Smoke Report. Schaumburg, IL: Society of Actuaries; 2005

Cigarette smoking and exposure to tobacco smoke annually resulted in at least 443,000 premature deaths, approximately 5.1 million years of productive life lost, and \$96.8 billion in productivity (does not include cigarette breaks or being less productive when on the job because of smoking caused health problems.) losses in the United States for years 2000-2004; CDC. Smoking-attributable mortality, years of potential life lost, and productivity losses—United States, 2000–2004. MMWR 2008; 57:1226–8

This translates into 119 premature deaths, 5270 years of productive life lost and \$26 million productivity losses for Guam annually. (Using 26% smokers of a Guam population of 170,000 and a national smoking population of 43 million.)

## The Resulting Disease

Cigarette smoking is the leading preventable cause of death in the United States. Centers for Disease Control and Prevention. Annual Smoking-Attributable Mortality, Years of Potential Life Lost, and Productivity Losses—United States, 1995–1999. *Morbidity and Mortality Weekly Report* 2002; 51(14):300–303

An estimated 49,000 of these deaths are the result of secondhand smoke exposure. Centers for Disease Control and Prevention. Smoking-Attributable Mortality, Years of Potential Life Lost, and Productivity Losses—United States, 2000–2004. *Morbidity and Mortality Weekly Report* [serial online]. 2008;57(45):1226–1228

It is estimated that 50% of smokers will die of tobacco-caused diseases. Mackay J, Erikson M, Shafey O. *The Tobacco Atlas*. 2nd ed. Atlanta, GA: American Cancer Society; 2006.

On average, smokers die 13 to 14 years earlier than nonsmokers. Centers for Disease Control and Prevention. Annual Smoking-Attributable Mortality, Years of Potential Life Lost, and Productivity Losses—United States, 1995–1999. *Morbidity and Mortality Weekly Report* 2002; 51(14):300–303

Smoking is the primary causal factor for at least 30% of all cancer deaths, for nearly 80% of deaths from chronic obstructive pulmonary disease, and for early cardiovascular disease and deaths (Chart 1.) CDC. *The health consequences of smoking: a report of the Surgeon General*. Atlanta, GA: US Department of Health and Human Services, CDC; 2004.

All of the illness and disease also creates additional and substantial burden on the United States health-care system. For every person who dies of a smoking-related disease, 20 more people suffer with at least one serious illness from smoking. Centers for Disease Control and Prevention. *Cigarette Smoking-Attributable Morbidity—United States, 2000*. *Morbidity and Mortality Weekly Report*. 2003;52(35)

Cigarette smoking increases the length of time that people live with a disability by about 2 years. Nusselder WJ, Looman CWN, Marang-van de Mheen PJ, van de Mheen H, Mackenbachet JP. Smoking and the Compression of Morbidity. *Journal of Epidemiology and Community Health*. 2000;54:566–74.

In 2005 and 2006, more smoking teens aged 15 to 17 were pregnant (23.1 percent) than not pregnant (17.1 percent). Substance Abuse and Mental Health Services Administration (SAMHSA), 2006 National Survey on Drug Use and Health: National Findings, Rockville, MD: Office of Applied Studies, NSDUH Series H-32, DHHS Publication No. SMA 07-4293, 2007; CDC, "Preconception and Interconception Health Status of Women Who Recently Gave Birth to a Live-Born Infant — Pregnancy Risk Assessment Monitoring System (PRAMS), United States, 26 Reporting Areas, 2004," *MMWR Surveillance Summaries* 56(SS-10), December 14, 2007

Smoking during pregnancy contributes to five of the top 15 leading causes of infant death in the U.S.

Kung, HC, et al., "Table C. Infant deaths and infant mortality rates for the 10 leading causes of infant death: United States, preliminary 2005," *Health E-Stats*, National Center for Health Statistics (NCHS), September 2007.

CDC estimates that smoking-affected births make up 2.34 percent of the overall neonatal medical costs in the U.S., for a total of \$42.6 million. CDC, *Maternal and Child Health Smoking-Attributable Mortality, Morbidity, and Economic Costs (SAMMEC) -- Economic Outcomes Report*, Accessed December 13, 2007; Orleans, CT, et al., "Helping Pregnant Smokers Quit: Meeting The Challenge in the Next Decade," *Tobacco Control* 9(Supplement 3):6-11, 2000; CDC, "Prevalence of Selected Maternal Behaviors and Experiences, Pregnancy Risk Assessment Monitoring System (PRAMS), 1999," *MMWR Surveillance Summaries* 51(SS-2), April 26, 2002; CDC, "State Estimates of Neonatal Health-Care Costs Associated with Maternal Smoking—United States, 1996, *MMWR* 53(39):915-917.]

The medical condition with the highest average hospital charges (\$68,000 per episode) and the longest length of stay (24.6 days) is infant respiratory distress syndrome, which can be caused or exacerbated by maternal smoking both before and after delivery. The third-highest average hospital charge is for premature and low birth-weight babies (\$50,000, 21.7 days), which can also be caused by pregnant women smoking or being exposed to secondhand smoke. U.S. Agency for Healthcare Research and Quality, *Hospitalization in the United States, 1997 (HCUP Fact Book No. 1)*, 2000.

11% of pregnant women smoke. 450,000 of each year's deliveries are adversely affected by smoking each year with a cost of \$734M. If we were to increase the cigarette tax, the rate of pregnant women smoking would drop 15% from 11 to 9.35% affecting 61,000 less births and costing the country \$105M less each year. NCHS, U.S. Centers for Disease Control & Prevention (CDC), "Smoking During Pregnancy—United States, 1990-2002," *MMWR* 53(39):911-915, October 8, 2004; NCHS, CDC, "Births:

Preliminary Data for 2006," National Vital Statistics Reports 56(7), December 5, 2007; Ringel, J & Evans, W, "Cigarette Taxes and Smoking During Pregnancy," American Journal of Public Health, 2001; Miller, P, et al., "Birth and First-Year Costs for Mothers and Infants Attributable to Maternal Smoking," Nicotine & Tobacco Research 3(1):25-35, February 2001; Tax Rate Data & Revenue Projections. Orzechowski & Walker, Tax Burden on Tobacco, 2007. USDA Economic Research Service Projections

## The Opportunity

Each day, about 1,100 persons younger than 18 years of age begin smoking on a daily basis; 1 per day on Guam. Substance Abuse and Mental Health Services Administration. Results from the 2006 National Survey on Drug Use and Health (PDF-1.41 MB): (Office of Applied Studies, NSDUH Series H-32, DHHS Publication No. SMA 07-4293). Rockville, MD

70% of adult smokers report that they want to quit completely and more than 40% try to quit each year. Centers for Disease Control and Prevention. Best Practices for Comprehensive Tobacco Control Programs—2007. Atlanta: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health; October 2007.

## Raising Cigarette Taxes Reduces Smoking

Increasing the cigarette tax is one of the most effective ways to reduce smoking, especially among children. The following chart documents the effect that the increase in cigarettes sales' tax in 2007 had on tobacco sales and the generation of revenue. (Table 2.)

The cigarette companies have opposed tobacco tax increases by arguing that raising cigarette prices would not reduce adult or youth smoking. But the companies' internal documents, disclosed in the tobacco lawsuits, show that they know very well that raising cigarette prices is one of the most effective ways to prevent and reduce smoking, especially among kids.

Philip Morris wrote:

"Of all the concerns, there is one - taxation - that alarms us the most. While marketing restrictions and public and passive smoking [restrictions] do depress volume, in our experience taxation depresses it much more severely. Our concern for taxation is, therefore, central to our thinking ..." Philip Morris document, "General Comments on Smoking and Health," Appendix I in The Perspective of PM International on Smoking and Health Initiatives, March 29, 1985, Bates No. 2023268329-8348.

"When the tax goes up, industry loses volume and profits as many smokers cut back." Ellen Merlo, Senior Vice President of Corporate Affairs, Philip Morris, 1994 draft speech to the Philip Morris USA Trade Council

"It is clear that price has a pronounced effect on the smoking prevalence of teenagers, and that the goals of reducing teenage smoking and balancing the budget would both be served by increasing the Federal excise tax on cigarettes." Philip Morris Research Executive Myron Johnston, "Teenage Smoking and the Federal Excise Tax on Cigarettes," PM Document No. 2001255224, September 17, 1981.

"Jeffrey Harris of MIT calculated...that the 1982-83 round of price increases caused two million adults to quit smoking and prevented 600,000 teenagers from starting to smoke...We don't need to have that happen again." Philip Morris Executive Jon Zoler, "Handling An Excise Tax Increase," PM Document No. 2022216179, September 3, 1987.

"A high cigarette price, more than any other cigarette attribute, has the most dramatic impact on the share of the quitting population...price, not tar level, is the main driving force for quitting." Philip Morris Executive Claude Schwab, "Cigarette Attributes and Quitting," PM Doc. 2045447810, March 4, 1993.

RJ Reynolds wrote:

"If prices were 10% higher, 12-17 incidence [youth smoking] would be 11.9% lower." R.J. Reynolds Executive D. S. Burrows, "Estimated Change In Industry Trend Following Federal Excise Tax Increase," RJR Document No. 501988846 -8849, September 20, 1982

The cigarette companies have even publicly admitted the effectiveness of tax increases to deter smoking in their required filings with the U.S. Securities and Exchange Commission.

Philip Morris wrote:

"Tax increases are expected to continue to have an adverse impact on sales of tobacco products by our tobacco subsidiaries, due to lower consumption levels..." 10-Q Report, November 3, 2008

Lorillard Tobacco wrote:

"We believe that increases in excise and similar taxes have had an adverse impact on sales of cigarettes. In addition, we believe that future increases, the extent of which cannot be predicted, could result in further volume declines for the cigarette industry, including Lorillard Tobacco..." 10-Q Report, November 4, 2008

R.J. Reynolds wrote:

"Together with manufacturers' price increases in recent years and substantial increases in state and federal taxes on tobacco products, these developments have had and will likely continue to have an adverse effect on the sale of tobacco products." 10-Q Report, October 24, 2008

Numerous economic studies in peer-reviewed journals have documented that cigarette tax or price increases reduce both adult and underage smoking. The general consensus is that every 10 percent increase in the real price of cigarettes reduces overall cigarette consumption by approximately three to five percent, reduces the number of young-adult smokers by 3.5 percent, and reduces the number of kids who smoke by six or seven percent. Chaloupka, F, "Macro-Social Influences: The Effects of Prices and Tobacco Control Policies on the Demand for Tobacco Products," *Nicotine and Tobacco Research*, 1999; Tauras, J, "Public Policy and Smoking Cessation Among Young adults in the United States," *Health Policy* 6\*:321-32, 2004; Tauras, J, et al., "Effects of Price and Access Laws on Teenage Smoking Initiation: A National Longitudinal Analysis," *Bridging the Gap Research, ImpacTeen*, April 24, 2001; Chaloupka, F & Pacula, R, An Examination of Gender and Race Differences in Youth Smoking Responsiveness to Price and Tobacco Control Policies, National Bureau of Economic Research, Working Paper 6541, April 1998; Emery, S, et al., "Does Cigarette Price Influence Adolescent Experimentation?," *Journal of Health Economics* 20:261-270, 2001; Evans, W & Huang, L, Cigarette Taxes and Teen Smoking: New Evidence from Panels of Repeated Cross-Sections, working paper, April 15, 1998; Harris, J & Chan, S, "The Continuum-of-Addiction: Cigarette Smoking in Relation to Price among Americans Aged 15-29," *Health Economics Letters* 2(2):3-12, February 1998; "Sensitivity Analysis on Cigarette Price Elasticity" by Credit Suisse First Boston Corporation, December 1998

"Cigarette price and tax increases work even more effectively to reduce smoking among males, Blacks, Hispanics, and lower-income smokers." U.S. Centers for Disease Control and Prevention (CDC), "Responses to Cigarette Prices By Race/Ethnicity, Income, and Age Groups – United States 1976-1993," *Morbidity and Mortality Weekly Report* 47(29):605-609, July 31, 1998; Chaloupka, F & Pacula, R, An Examination of Gender and Race Differences in Youth Smoking Responsiveness to Price and Tobacco Control Policies, National Bureau of Economic Research, Working Paper 6541, April 1998.

"A cigarette tax increase that raises prices by ten percent will reduce smoking among pregnant women by seven percent, preventing thousands of spontaneous abortions and still-born births, and saving tens of thousands of newborns from suffering from smoking-affected births and related health consequences." Ringel, J & Evans, W, "Cigarette Taxes and Smoking during Pregnancy," *American Journal of Public Health*, 2001

"Higher taxes on smokeless tobacco reduce its use, particularly among young males; and increasing cigar prices through tax increases reduce adult and youth cigar smoking." Chaloupka, F, Tauras, J & Grossman, M, "Public Policy and Youth Smokeless Tobacco Use," *Southern Economic Journal* 64(2):503-16, October 1997. Ringel, JS, Wasserman, J, & Andreyeva, T, "Effects of Public Policy on Adolescents' Cigar Use: Evidence from the National Youth Tobacco Survey," *American Journal of Public Health* 95:995-998, 2005.

"Cigarette price increases not only reduce youth smoking but also reduce both the number of kids who smoke marijuana and the amount of marijuana consumed by continuing users." Chaloupka, F, et al., *Do Higher Cigarette Prices Encourage Youth to Use Marijuana?*, National Bureau of Economic Research, Working Paper No. 6939, February 1999.

The Wisconsin Quit Line received a record-breaking 20,000 calls in the first two months after its \$1 per pack increase (it typically receives 9,000 calls per year). Likewise, in Texas and Iowa, which each increased their cigarette taxes by \$1.00 in 2007, the number of calls to the state quitlines have been much higher compared to the year before. "Calls to Wisconsin Tobacco Quit Line breaks all records," *The Dunn County News*, March 12, 2008. Souza, M, "Thank you for Smoking," *Longview-News Journal*, April 22, 2007; "Calls to Quitline Iowa double after cigarette tax raised," *AP*, March 22, 2007.

These efforts to quit after tax increases translate directly into lower future smoking rates. In Washington State, for example, adult smoking from the year before its 60-cent cigarette tax increase in 2002 to the year afterwards declined from 22.6 to 19.7 percent, reducing the number of adult smokers in the state by more than 100,000, despite overall population increases. CDC, Current Adult Smokers, Behavioral Risk Factor Surveillance System (BRFSS).

Although there are many other factors involved, comparing the trends in cigarette prices and overall U.S. cigarette consumption from 1970 to 2007 shows that there is a strong correlation between increasing prices and decreasing consumption (Graph 1.)

In its 2007 report, Ending the Tobacco Problem: A Blueprint for the Nation, the National Academy of Sciences' Institute of Medicine recommends raising cigarette taxes in states with low rates and indexing them to inflation, to reduce cigarette consumption and to provide money for tobacco control. The report states, "Tobacco excise tax revenues pose a potential funding stream for state tobacco control programs. Setting aside about one-third of the per-capita proceeds from tobacco excise taxes would help states fund programs at the level suggested by CDC." Institute of Medicine (IOM), Ending the tobacco problem: A blueprint for the nation, Washington, DC: The National Academies Press, 2007

The President's Cancer Panel's 2007 report, Promoting Healthy Lifestyles, advised increasing state tobacco taxes, stating, "Increases in tobacco excise taxes, which are passed along to consumers in the form of higher tobacco product prices, have proven highly effective in reducing tobacco use by promoting cessation among current users, discouraging relapse among former users, preventing initiation among potential users, and reducing consumption among those who continue to use tobacco. These revenues also provide crucial dollars needed to fund anti-tobacco efforts." President's Cancer Panel, Promoting Healthy Lifestyles, 2006-2007 Annual Report, August 2007

The 2000 U.S. Surgeon General's Report, Reducing Tobacco Use, found that raising tobacco-product prices decreases the prevalence of tobacco use, particularly among kids and young adults, and that tobacco tax increases produce "substantial long-term improvements in health." From its review of existing research, the report concluded that raising tobacco taxes is one of the most effective tobacco prevention and control strategies. U.S. Department of Health and Human Services (HHS), Reducing Tobacco Use: A Report of the Surgeon General, Atlanta, Georgia: HHS, CDC, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 2000

In its 1998 report, Taking Action to Reduce Tobacco Use, the National Academy of Sciences' Institute of Medicine concluded that "the single most direct and reliable method for reducing consumption is to increase the price of tobacco products, thus encouraging the cessation and reducing the level of initiation of tobacco use." IOM, Taking Action to Reduce Tobacco Use, Washington, DC: National Academy Press, 1998

## **Health benefits and cost savings**

This is your chance to ensure that substituted bill has stipulations that fence any tax revenues be directly applied to the promotion of health and wellness and the prevention and treatment of tobacco related diseases.

Projected Benefits from Increasing the Federal Cigarette Tax by \$0.62 Per Pack will produce the following public health benefits and related healthcare cost savings in the U.S.

Increase in total number of kids alive today who will not become smokers: 1,992,000

Number of current adult smokers in the US who would quit: 1,020,000

Number of smoking-affected births avoided over next five years: 248,000

Number of total smokers saved from future smoking-caused death: 905,000

5-year health care savings from fewer smoking-affected pregnancies & births: \$423.2 million

5-year health care savings from fewer smoking-caused heart attacks & strokes: \$493.3 million

Long-term healthcare savings in the US from adult & youth smoking declines: \$44.5 billion

Chaloupka, F, "Macro-Social Influences: Effects of Prices and Tobacco Control Policies on the Demand for Tobacco Products," *Nicotine & Tobacco Research*, 1999; Orzechowski & Walker, *Tax Burden on Tobacco*, 2006. USDA Economic Research Service; Farelly, M, et al., *State Cigarette Excise Taxes: Implications for Revenue and Tax Evasion*, RTI International, May, 2003; CDC, *Data Highlights 2006*; Miller, P, et al., "Birth and First-Year Costs for Mothers and Infants Attributable to Maternal Smoking," *Nicotine & Tobacco Research* 3(1):25-35, February 2001; Lightwood, J & Glantz, S, "Short-Term Economic and Health Benefits of Smoking Cessation - Myocardial Infarction and Stroke,"

Circulation 96(4):1089-1096, August 19, 1997; Hodgson, T, "Cigarette Smoking and Lifetime Medical Expenditures," The Millbank Quarterly 70(1), 1992. U.S. Census. National Center for Health Statistics.

For Guam that would mean 1000 people will quit and 925 will be saved from smoking related deaths.  
(Using 26% smokers of a Guam population of 170,000 and a national smoking population of 43 million.)

Taking action to dramatically reduce tobacco use will have cascading positive benefits on society, most importantly via decreases in health care costs now paid by businesses and taxpayers. Major reductions in tobacco use will create a healthier and more productive workforce that may help ensure the success of US businesses. Members of the CEO Roundtable on Cancer recognized this fact when it identified tobacco treatment as a fundamental priority for the business community. CEO Roundtable on Cancer Web page. <http://www.ceoroundtableoncancer.org>

### **Increases Benefit for Lower-Income Smokers and Families**

Higher smoking rates among lower-income groups means they suffer the most from smoking and will therefore benefit the most from any effective new measures to reduce smoking, including increased state tobacco taxes.

State cigarette tax increases work much more powerfully to prompt lower-income smokers to quit or cutback and to stop lower-income kids from every starting than they do among higher-income smokers and youths. U.S. Centers for Disease Control and Prevention (CDC), "Responses to Cigarette Prices By Race/Ethnicity, Income, and Age Groups – United States 1976-1993," Morbidity and Mortality Weekly Report (MMWR) 47(29):605-609, July 31, 1998; Chaloupka, FJ & Pacula, R, An Examination of Gender and Race Differences in Youth Smoking Responsiveness to Price and Tobacco Control Policies, National Bureau of Economic Research, Working Paper 6541, April 1998; Farrelly, M., et al., "Responses to Increases in Cigarette Prices by Socioeconomic Characteristics," Southern Economic Journal 68(1): 156-165, 2001.

Smokers with family incomes at or below the national median are four times as likely to quit because cigarette price increases as those with higher incomes. CDC, "Responses to Cigarette Prices By Race/Ethnicity, Income, and Age Groups – United States 1976-1993," MMWR 47(29):605-609, July 31, 1998

Those cost reductions (including reduced family expenditures on cigarettes) will also have a more powerful, beneficial impact on the financial health of the lower-income households compared to those with higher incomes. If lower-income smokers account for 60 percent of a state's cigarette tax revenues with 40 percent from higher income smokers, a tax increase that raises the price of a pack by 25 percent will reduce the number of packs smoked by lower-income persons by about 7.25 percent and reduce the number of packs smoked by higher-income smokers by 4.25 percent. After those reductions, lower income smokers will be paying 59 percent of all state cigarette tax revenues and higher-income smokers will be paying 41 percent. Larger cigarette tax increases would have more pronounced effects. CDC, "Response to Increases in Cigarette Prices by Race/Ethnicity, Income, and Age Groups -- United States, 1976-1993," Morbidity and Mortality Weekly Report (MMWR) 47(29):605-609, July 31, 1998,

A study in England, for example, found that low-income smokers actually reduced their overall expenditures on cigarettes in response to increased cigarette taxes. Townsend, JL, "Cigarette Tax, Economic Welfare and Social Class Patterns of Smoking," Applied Economics 19:355-365, 1987

Smokers die younger than nonsmokers but because of their higher rates of illness and disability they still have substantially higher annual and lifetime health care costs. Hodgson, T, "Cigarette Smoking and Lifetime Medical Expenditures," The Millbank Quarterly, 1992; Nusselder, WJ, et al., "Smoking and the Compression of Morbidity," Epidemiology and Community Health, 2000.

Nationwide, smoking-caused health care expenditures total more than \$96 billion per year, with billions being paid directly by smokers through direct health care payments and increased health insurance premiums. CDC, Sustaining State Programs for Tobacco Control: Data Highlights 2006

Smokers who quit or cutback will also help reduce the amount of secondhand smoke their family, friends, and coworkers are exposed to – thereby producing additional health improvements and related cost savings for their families and communities.

Even those low-income smokers who do not quit or cutback will still benefit because the cigarette tax increase will reduce smoking among their family members and friends. The tax increase might not get them to quit, but it might stop their kids from falling victim to tobacco use.

The average price of a pack of cigarettes is about \$4.32 per pack, multiplying that by 365 days in a year produces cigarette expenditures of \$1,600 per year.

Smokers who do not reduce their smoking because of a cigarette tax increase will also still benefit economically, along with every other federal or state taxpayer. Right now, smoking produces a “hidden tax” that totals more than \$40 billion per year to pay for smoking-caused state and federal healthcare costs. Zhang, X, et al., “Cost of Smoking to the Medicare Program, 1993,” *Health Care Financing Review* 20(4):1-19, Summer 1999.

Smoking declines caused by state cigarette tax increases directly reduce these smoking caused tax burdens for all taxpayers. Smokers have higher lifetime healthcare costs than nonsmokers, despite living shorter lives (Hodgson, 1992 & Nusselder, 2000).

Roughly half of all smoking-caused health care costs are paid by the federal or states' governments, with much of that spent on treating low-income smokers through the Medicaid program. Any new government costs caused by people living longer because they no longer smoke would be more than offset by the health care savings, other reductions to smoking-caused costs, and the work productivity increases (and related new income tax revenues) from more people living longer, healthier, smoke-free lives. Zhang, X, et al., “Cost of Smoking to the Medicare Program, 1993,” *Health Care Financing Review* 20(4):1-19, Summer 1999; CDC, July 8, 1994.

Low income smokers and their communities disproportionately benefit when any of the new revenues from cigarette tax increases are directed to new programs to help people quit and to prevent kids from starting – both because smoking is more prevalent among low-income persons and because such programs are much less available to lower-income persons than to those with higher incomes.

New revenues from state cigarette tax increases can also prevent cuts to government programs that provide critically needed services to low-income families or communities.

An April 2002 research study actually found that, overall, both Canadian and U.S. smokers are significantly happier when cigarette excise taxes increase, perhaps because the increases help them quit or cutback or increase their resolve to do so soon. Gruber, J & Mullainathan, S, “Do Cigarette Taxes Make Smokers Happier?,” National Bureau of Economic Research, Working Paper No.w8872, April 2002

As an Australian economic study of the impact of a 25 percent decrease in smoking concluded: “In households where smoking ceased, substantial benefits would accrue in terms of the weekly funds released for alternative purchases. Added to these would be the benefits of improved health and life expectancy resulting from smoking cessation. Relative to household income, the greatest benefits, in terms of additional available expenditure, would accrue to the poorest 20 per cent of households.” Junor, W, et al., *The Macroeconomic and Distributional Effects of Reduced Smoking Prevalence in New South Wales*, Cancer Council New South Wales, June 2004

### **Reliable Source of Substantial New State Revenue**

State tobacco taxes are one of their most predictable sources of revenue. Any significant reductions to state tobacco tax revenues from ongoing smoking declines are dwarfed by the much larger reductions in government and private sector smoking-caused costs those smoking declines produce.

The success of effective tobacco control policies means that cigarette consumption will drop more rapidly than in the past – a trend that benefits public health, increases worker productivity, and lowers state health care costs. Industry analysts now predict that national pack sales will decline by about four to five percent per year, on average, because of smokers quitting, cutting back, or switching to other tobacco products. Standard & Poor's, *Altria Group: Sub-Industry Outlook*, December 6, 2008

States with aggressive ongoing tobacco prevention efforts will likely see additional declines, but they would be offset by even larger reductions in smoking-caused costs. In addition, states can take a variety of actions to protect and maintain, or even increase, their tobacco tax revenues over time.

Significant tobacco tax increases always produce substantial net new revenues. In every single instance where a state has passed a significant cigarette tax increase, the state has enjoyed a substantial increase to its state cigarette tax revenues, well above what they would have received absent any rate increase. This occurs, despite significant declines in smoking rates and taxed pack sales, because the increased tax per pack brings in much more new revenue than is lost by the declines in the number of taxed packs. (Refer to table 2.)

The higher level of state tobacco tax revenues after a rate increase will decline over time as state smoking levels continue to shrink, but the revenue levels will remain much higher than they would have been without the rate increase. Moreover, the smoking-reduction revenue declines will occur at a gradual, predictable rate (as related savings grow), making related state budgeting quite easy. The following graph, presenting data from New Mexico, shows how state cigarette tax revenues do not decline sharply in the years following a significant cigarette tax increase (Graph 2.)

Year to year, state tobacco tax revenues are more predictable and less volatile than many other state revenue sources, such as state income tax or corporate tax revenues, which can vary considerably each year because of nationwide recessions or state economic slowdowns. In sharp contrast, large drops in tobacco tax revenue from one year to the next are quite rare because of the addictive power of cigarettes.

Cigarette tax increases work best to reduce smoking among youth, lower-income smokers and pregnant women – and those smoking declines directly reduce state Medicaid program expenditures.

Decreasing smoking rates among workers directly reduces public and private sector employers' health insurance costs – while also reducing business productivity losses from smoking-caused job performance declines and work absences, and from losing productive workers to smoking-caused disease or disability. Among the many other savings from smoking reductions are reduced property losses from smoking-caused fires, and reduced cleaning and maintenance costs.

States can maximize their tobacco tax revenues (and related public health benefits) by ensuring that their tax rates on tobacco products other than cigarettes match their cigarette tax rates. A portion of any cigarette tax revenue decline comes from some smokers shifting to other tobacco products, which are typically much cheaper because of much lower state tax rates on tobacco products other than cigarettes. By raising their tax rates on other tobacco products to parallel the cigarette tax rate, states can not only promote tax equity and fairness but also enjoy substantial increases to overall state tobacco tax revenues. In addition, equalizing the tobacco tax rates will promote quitting (by making it impossible to evade higher cigarette taxes by shifting to other tobacco products), which will lock in even larger state public health gains and related cost savings.

### **Cigarette tax increases will not hurt the Guam's economy by reducing related employment, retailer revenues, etc.**

Money spent currently on cigarette sales will not disappear when the smoking declines from a cigarette tax increase reduces cigarette sales, it will simply shift to consumer expenditures on other products or to consumer savings or investments. Smokers who quit or cut back will spend or use the money they formerly spent on cigarettes in other ways – and those alternative uses may produce more jobs or more productive economic activity than spending on cigarettes. In addition, most states are exporting a large portion of its own consumers' expenditures on cigarettes to those tobacco states where cigarettes are manufactured and tobacco leaf is grown – which helps only those tobacco states' economies. Shifting consumer expenditures on cigarettes to other products or other uses is likely to keep more of the money in the state, where it will generate new in-state jobs and other beneficial economic activity in the state.

Economic studies show that reducing cigarette sales in a state will actually create new jobs and improve the state's economy. One especially powerful series of studies showed that even if smoking were entirely eliminated in the United

States, the net economic effect on each state would be positive, with more jobs created as well as other increases in productive economic activity. Warner K., et al., "Employment implications of declining tobacco product sales for the regional economies of the United States," JAMA 275(16):1241-6, Warner K., "Implications of a nicotine-free society," Journal of Substance Abuse 1(3):359-68, 1989, Warner K. & G. Fulton, "The economic implications of tobacco product sales in a non-tobacco state," JAMA 271(10):771-6, March 9, 1994

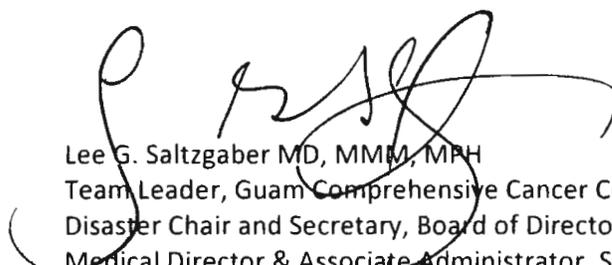
Similar studies on the economic impact of cigarette tax increases in New Hampshire and Texas found that \$1 increases there would create or save approximately 2,100 and 9,200 jobs, respectively. Gottlob, B., The Fiscal and Economic Impacts of Increasing the Cigarette Tax in New Hampshire, PolEcon Research, March 2003, Gottlob, B., The Fiscal and Economic Impacts of Increasing the Cigarette Tax in Texas, PolEcon Research, 2004.

Studies show that convenience stores and other in-state retailers will not be harmed by state cigarette tax increases. A study of in-state retailers' gross revenues by the State of Maryland's Comptroller after that state's 34-cent cigarette tax increase found that "When all taxable sales throughout the entire study area for retailers typically selling cigarettes are examined, . . . there is no evidence that the increase in tobacco taxes has had a direct and measurable impact on gross revenues." Schafer, William D., Comptroller of the State of Maryland, Report to the Senate President and the Speaker of the House of Delegates, January 15, 2003

Economic impact studies in Virginia, Texas, and New Hampshire found that, while the overall effects were very small, retail employment in those states actually declined when cigarette sales increased and that retailer employment increased when cigarette sales declined. The New Hampshire study also found that a \$1 increase would increase retail employment by approximately 180 new jobs. Gottlob, B., The Fiscal and Economic Impacts of Increasing the Cigarette Tax in New Hampshire, PolEcon Research, March 2003

Directing the new state government revenues from a cigarette tax increase to reduce state budget deficits and to fund economically productive programs (such as increased tobacco prevention) will further improve the state's fiscal health and strengthen the state economy.

I would like to close this afternoon by saying that it is imperative that our community takes responsibility for our personal and collective actions for the betterment of Guam and its future. Thank you for your most valuable time in listening to my testimony in support of the substituted Bill 150.



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Disaster Chair and Secretary, Board of Directors, American Red Cross Guam Chapter  
Medical Director & Associate Administrator, StayWell Insurance  
Rotarian, Rotary Club of Guam

Table 1

State	Tax Per Pack	Rank (1 = high)	FY 2008 Pack Sales (millions)	FY 2008 Tax Revenue (millions)	Total Price Per Pack	Smoking Costs Per Pack Sold	Adult Smokers (thousands)	Youth Smoking Rate	Adult Smoking Rate	Adult Rank (1=low)
Utah	0.70	30	83	55	\$4.72	\$8	170	7.9%	9.3%	1
California	0.87	26	1107	955	\$5.03	\$15	3,743	15.4%	14.0%	2
New Jersey	2.70	3	297	763	\$7.02	\$16	957	15.8%	14.7%	3
Maryland	2.00	9	243	341	\$6.15	\$14	626	16.8%	14.9%	4
Hawaii	2.60	4	57	102	\$6.97	\$11	152	9.7%	15.4%	5
Washington	2.03	8	207	420	\$6.33	\$16	771	15.0%	15.7%	6
Arizona	2.00	9	201	389	\$6.07	\$12	744	22.2%	15.9%	7
Connecticut	2.00	9	166	330	\$6.21	\$14	420	21.1%	15.9%	7
Massachusetts	2.51	6	278	419	\$6.89	\$19	798	17.7%	16.0%	8
Washington, DC	2.00	9	23	22	\$5.73	\$22	76	10.6%	16.2%	9
Oregon	1.18	20	189	222	\$4.69	\$11	465	15.4%	16.3%	10
Virginia	0.30	42	568	166	\$4.33	\$6	945	15.5%	16.4%	11
New York	2.75	2	608	959	\$7.17	\$22	2,477	13.8%	16.7%	12
Vermont	2.24	7	32	56	\$6.47	\$10	81	18.2%	16.7%	12
Idaho	0.57	35	84	46	\$4.56	\$8	181	20.0%	16.8%	13
New Hampshire	1.78	10	149	161	\$5.09	\$5	170	19.0%	17.0%	14
Rhode Island	3.46	1	46	112	\$7.55	\$13	140	15.1%	17.3%	15
Minnesota	1.56	13	265	392	\$5.22	\$9	680	19.1%	17.5%	16
South Dakota	1.53	14	39	57	\$5.15	\$9	103	24.7%	17.5%	16
Florida	1.34	18	1239	405	\$5.34	\$10	2,431	14.5%	17.5%	16
Colorado	0.84	27	235	196	\$4.61	\$8	641	14.6%	17.6%	17
Delaware	1.60	12	115	117	\$5.23	\$4	115	20.2%	17.7%	18
Kansas	0.79	29	143	113	\$4.74	\$12	365	20.6%	17.8%	19
Maine	2.00	9	73	144	\$6.17	\$12	185	14.0%	18.1%	20
North Dakota	0.44	37	47	21	\$4.21	\$10	87	21.1%	18.1%	20
Nebraska	0.64	32	112	70	\$4.45	\$10	238	19.7%	18.3%	21
Montana	1.70	11	50	84	\$5.34	\$9	135	20.0%	18.5%	22
Texas	1.41	15	1050	1462	\$5.23	\$10	3,182	21.1%	18.5%	22
Iowa	1.36	16	172	230	\$5.18	\$8	418	18.9%	18.7%	23
New Mexico	0.91	25	67	81	\$4.85	\$14	279	24.2%	19.3%	24
Wyoming	0.60	34	41	23	\$4.49	\$12	76	20.8%	19.3%	24
Georgia	0.37	39	588	211	\$4.29	\$9	1,355	18.6%	19.5%	25
Wisconsin	2.52	5	376	456	\$6.41	\$10	838	20.5%	19.8%	26
South Carolina	0.07	44	393	27	\$4.05	\$8	661	17.8%	20.0%	27
Ohio	1.25	19	742	911	\$5.15	\$9	1,714	21.6%	20.1%	28
Michigan	2.00	9	528	1040	\$6.05	\$10	1,523	18.0%	20.4%	29
Louisiana	0.36	40	377	128	\$4.38	\$9	654	25.0%	20.4%	29
North Carolina	0.35	41	668	229	\$4.22	\$7	1,414	19.0%	20.9%	30
Pennsylvania	1.35	17	764	1015	\$5.09	\$12	2,019	17.5%	21.3%	31
Illinois	0.98	24	616	595	\$5.62	\$11	2,032	19.9%	21.3%	31
Alaska	2.00	9	32	64	\$6.85	\$8	107	17.8%	21.5%	32
Nevada	0.80	28	159	127	\$4.75	\$9	417	13.6%	22.1%	33
Alabama	0.43	38	361	142	\$4.36	\$9	760	26.8%	22.1%	33
Arkansas	1.15	21	218	126	\$5.22	\$10	468	20.7%	22.3%	34
Mississippi	0.68	31	273	46	\$4.75	\$8	478	19.2%	22.7%	35
Tennessee	0.62	33	428	260	\$4.56	\$9	1,064	25.5%	23.1%	36
Oklahoma	1.03	22	314	221	\$4.60	\$8	659	23.2%	24.7%	37
Missouri	0.17	43	589	97	\$4.08	\$8	1,087	23.8%	24.9%	38
Kentucky	0.60	34	602	178	\$4.01	\$5	791	26.0%	25.2%	39
Indiana	1.00	23	519	506	\$4.83	\$8	1,218	22.5%	26.0%	40
Guam	1.00						44	23.0%	28.0%	
West Virginia	0.55	36	204	108	\$4.42	\$9	368	27.6%	26.5%	41
All State Average	1.30							19.0%	19.0%	

CDC, State Highlights 2006. U.S. General Accounting Office; "CDC's April 2002 Report on Smoking: Estimates of Selected Health Consequences of Cigarette Smoking Were Reasonable," letter to U.S. Rep. Richard Burr, July 16, 2003, Orzechowski & Walker, Tax Burden on Tobacco, 2008.

Chart 1

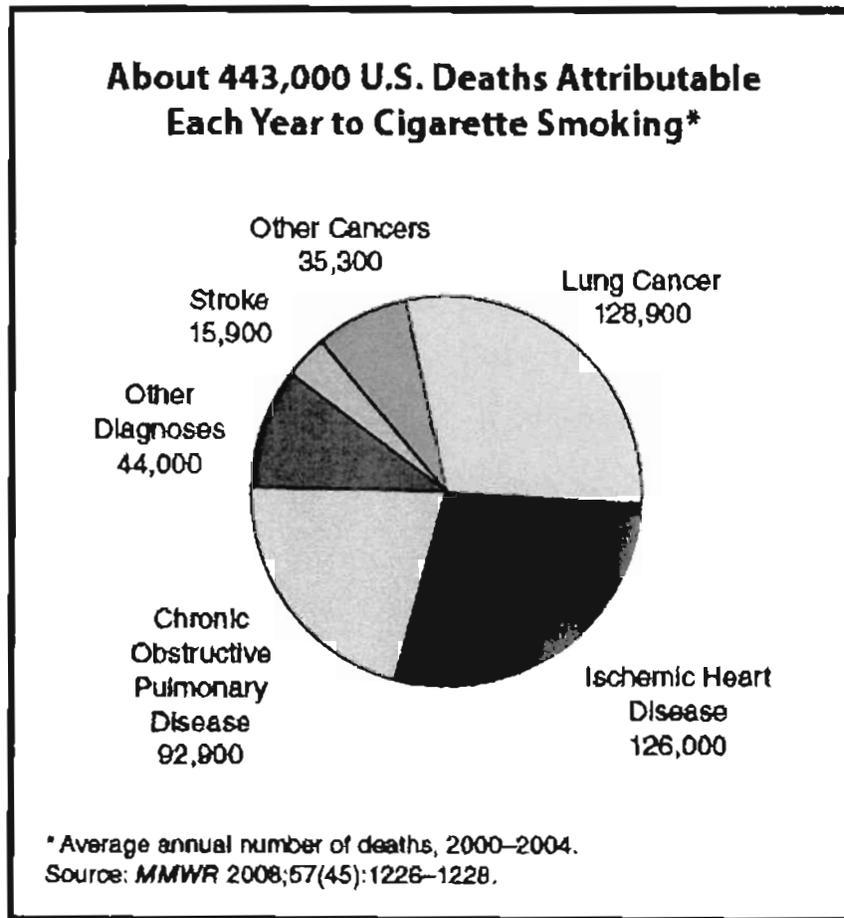
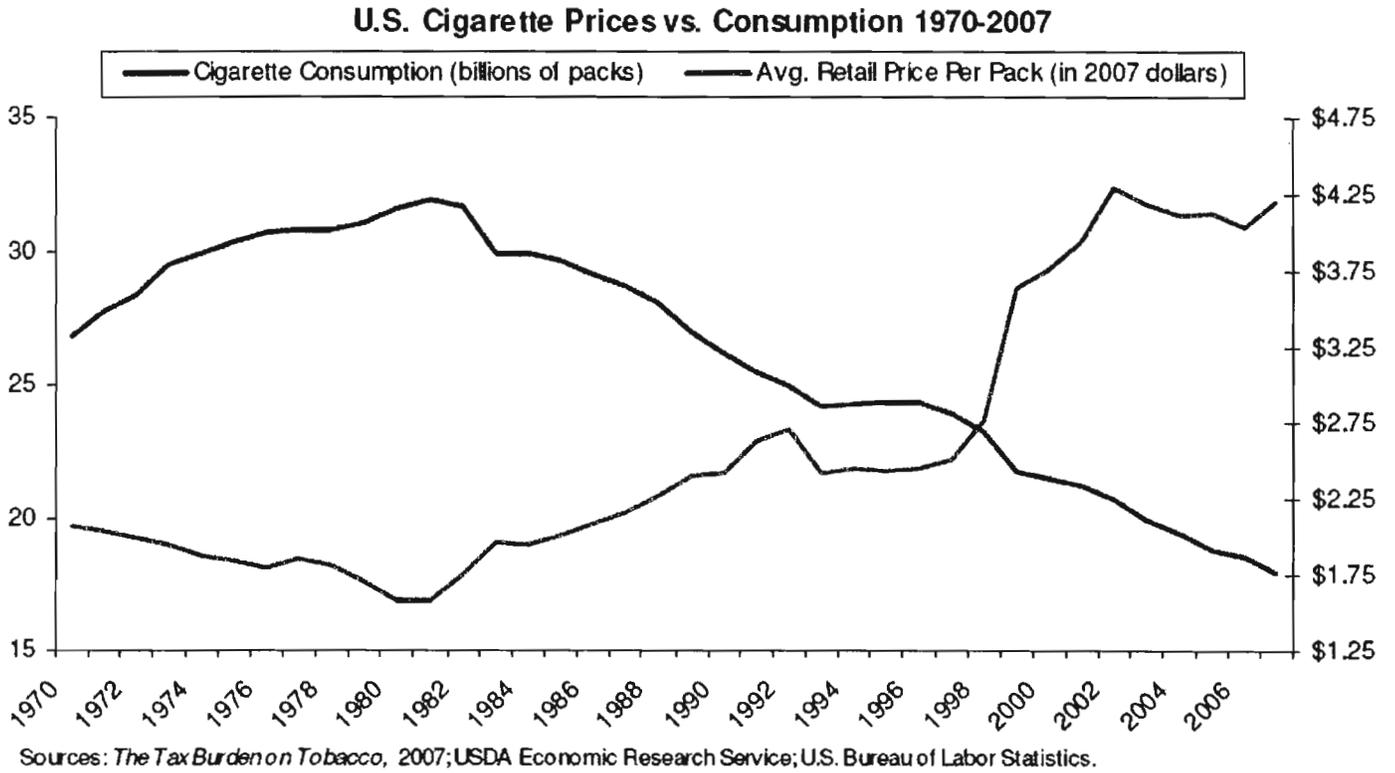


Table 2

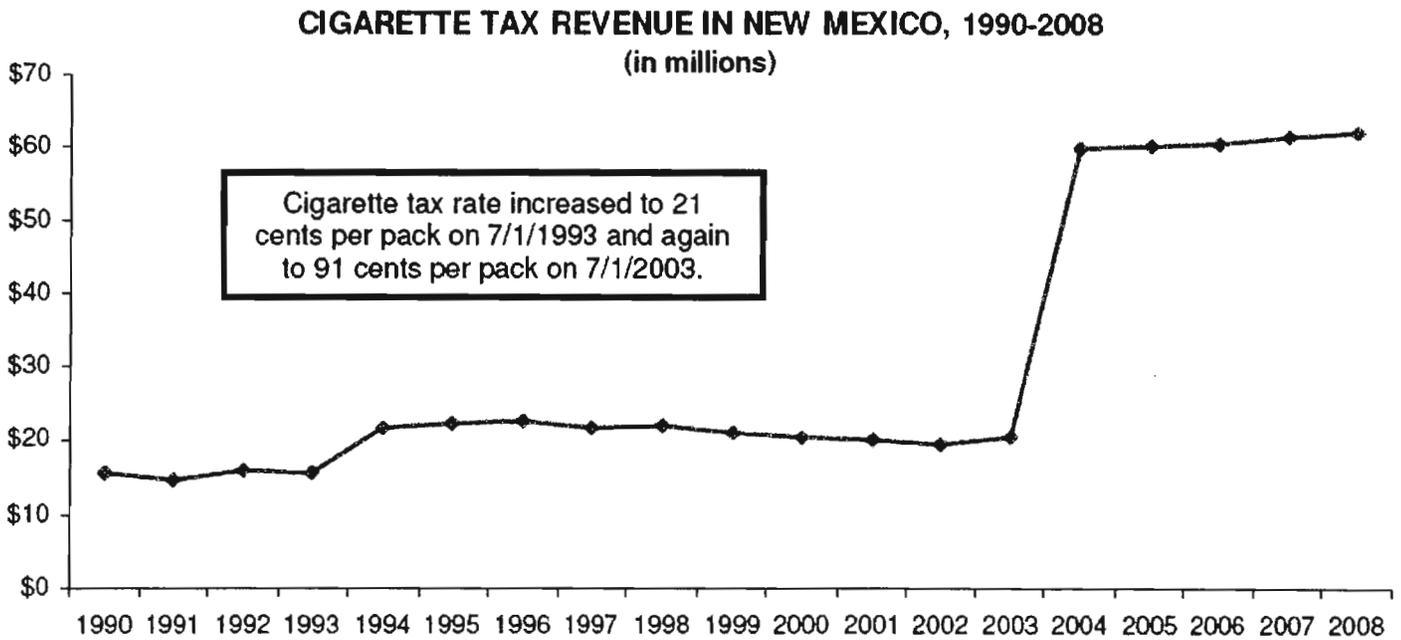
State	Tax Increase Amount (per pack)	New State Tax Rate (per pack)	State Pack Sales Decline	Revenue Increase	New Revenues (millions)
<i>Delaware</i>	\$0.60	\$1.15	-35%	35%	\$32
<i>Tennessee</i>	\$0.42	\$0.62	-35%	101%	\$134
<i>Iowa</i>	\$1.00	\$1.36	-31%	140%	\$128
<i>Maryland</i>	\$1.00	\$2.00	-27%	46%	\$127
<i>South Dakota</i>	\$1.00	\$1.53	-26%	115%	\$32
<i>Texas</i>	\$1.00	\$1.41	-21%	192%	\$1,004
<i>Indiana</i>	\$0.44	\$1.00	-20%	43%	\$155
<i>Wisconsin</i>	\$1.00	\$1.77	-15%	94%	\$283
<i>New Hampshire</i>	\$0.28	\$1.08	-14%	16%	\$23
<i>Connecticut</i>	\$0.49	\$2.00	-11%	19%	\$50
<i>Alaska</i>	\$0.20	\$2.00	-4%	8%	\$5
<i>Hawaii</i>	\$0.20	\$2.00	0%	11%	\$10

Sources: Orzechowski & Walker, Tax Burden on Tobacco. U.S. Alcohol and Tobacco Tax and Trade Bureau. Consumption declines and revenue increases are for the 12 months before and after the tax increase. Nationwide consumption declines are for the 50 states and DC.

Graph 1



Graph 2



Source: Orzechowski & Walker, *The Tax Burden on Tobacco*, 2007, and monthly reports.

July 28, 2009

Honorable Frank B. Aguon, Jr.  
Ste. 701A, DNA Bldg.  
238 Archbishop Flores St.  
Hagåtña, Guam 96910  
Ph.: (671) 969-1494/5/6  
Fax: (671) 969-1497  
e-mail: [aguon4guam@gmail.com](mailto:aguon4guam@gmail.com)

Re: Testimony in support of Bill 150 relative to increasing the tax on tobacco products

Dear Senators of the 30<sup>th</sup> Guam Legislature:

My name is Oliva Aguon. I write this testimony in support of Bill 150 which looks to increase the tax on tobacco products. This is a personal appeal to help the people of our community.

I "officially" started smoking when I was 16. That was when I started smoking in front of my parents. But I had actually started when I was 13. Back in those days, the tobacco companies did not warn us that the products we were using were dangerous or addictive and there were no laws against selling cigarettes to children, so as many of my friends and family did, I started and got hooked.

In June 2000, I quit smoking. Three months later, I started coughing up blood. After rounds of tests, tuberculosis was ruled out and unfortunately, I diagnosed with lung cancer. By this time, the cancer was 12 centimeters in size. The news was devastating, not only for me, but for my family as well. But if you look at the research, I am one of many who have received the same news and because of the same reason--it was due to years of smoking.

Luckily for me, when I was diagnosed, our island had the treatment resources that I needed and I was able to receive treatment here at home and with my family. These days, others are not so lucky.

While Bill 150 is a step in the right direction, I understand that a substituted version provides an additional component to the proposed tax increase, by earmarking a portion of the tax revenues specifically for cancer prevention and cancer care. It is critical that this substituted version, with the earmarking provision, is the one that is adopted.

Bill 150 as substituted by the author will help keep the tobacco products out of the hands of my grandchildren, providing a funding source for prevention programs. It will also help my family members who want to quit using tobacco, but need professional assistance and guidance. We don't want to wait for them to hear those dreadful words, "you have cancer" before we provide them the resources and the help that they need.

Given the urgency of the situation with regards to providing cancer care support to our community, this substituted bill should be passed immediately by our senators, without need for a referendum or the like. We have entrusted you with making these tough and sometimes unpopular decisions and we hope that you will do the right thing.

Sincerely,

Oliva P. Aguon  
Cancer Survivor and Former Smoker

July 28, 2009

Honorable Senator Frank B. Aguon, Jr.  
Chairman, Committee on Economic Development,  
Health and Human Services, and Judiciary  
Ste. 701A DNA Bldg  
238 Archbishop Flores St.  
Hagåtña, Guam 96910



RECEIVED

ACM  
8/5/09 3:40PM

**RE: Testimony on Bill 150 as Substituted, AN ACT TO AMEND §26603 OF CHAPTER 26, TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO INCREASING TOBACCO TAXES, THE HEALTHY FUTURES FUND, AND CREATING A GUAM CANCER TRUST ACCOUNT**

Dear Senator Aguon and members of the Committee, good afternoon.

I am here today to present a statement from the American Cancer Society – Guam Field Office in support of increasing Guam's tobacco tax.

While Bill 150 provides us with a step in the right direction, we believe that the substituted version of Bill 150 provides an additional and necessary component that will allow a portion of the tax revenues to be earmarked specifically for cancer prevention and cancer care. We feel it is critical that this substituted version, with the earmarking provision, be adopted.

The evidence is very clear – tobacco use is harmful to one's health:

- At 34.5%, Guam has the highest adult smoking rate in the nation
- Our youth smoking rate trails closely behind at 30.3%
- The top three causes of **preventable** deaths on Guam – heart disease, cancer and stroke – are all tobacco related.
- Over 60% of cancers on Guam can be attributed to tobacco use.
- According to the Department of Mental Health's tobacco control program, "everyday at least one person on Guam dies from tobacco use."

Smoking causes many cancers besides lung cancer. Tobacco use is also linked to at least 15 different cancers. These facts and local statistics indicate that we must do more to eliminate or reduce tobacco use on Guam. We need to strengthen our efforts to prevent youth from initiating tobacco use and we need to continue efforts to help those that do smoke, quit. The passage of Substitute Bill 150 will allow us to do all these things.

An increase in the tobacco tax means less tobacco-related death and disease for our island. An increase in the tobacco tax will help to relieve the stress that tobacco use places on our healthcare system. An increase in the tobacco tax will also help to address

the impact that tobacco related diseases have, not just on our patients, but on their families as well.

Data from across the country is showing that raising cigarette and tobacco taxes not only produces additional revenues, but also leads to reductions in cigarette smoking by preventing youth initiation, encouraging quitting among current smokers, discouraging relapses among former smokers, and reducing overall cigarette consumption.

Additionally, data shows that when fully funded, comprehensive tobacco prevention programs are a proven effective strategy to stop youth from becoming addicted adult smokers. If passed, this bill, would allow the additional taxes collected to be funneled back into our community to support programs and agencies working to reduce our island's dependence on tobacco.

With only one public hospital bearing the burden of treating our island's tobacco related diseases, the passage of Substitute Bill 150 would provide the Guam Memorial Hospital Authority with much needed funding to sustain their efforts. We need to ensure that GMHA remains viable and can meet the health care needs of our people.

The passage of this bill would also allocate funds to the Department of Public Health and Social Services as well as the Department of Mental Health and Social Services to continue the work they do in tobacco prevention and cessation. Much needed funding to keep the Guam Cancer Registry operational and cancer data current is another benefit the passage of Substitute Bill 150 will have.

Additionally, the passage of Substitute Bill 150 would create the Guam Cancer Trust Fund and a source of funding accessible to community organizations that provide our residents with cancer support services, educational and prevention opportunities, and screening and treatment services. With the measures put in place by Substitute Bill 150, local organizations such as the Edward M. Calvo Cancer Foundation, Island Girl Power, and Sanctuary, who are all working in one way or another to address the needs of cancer patients or to educate our community of the dangers of tobacco use – these organizations can look to the Guam Cancer Trust Fund for additional funding to supplement or sustain their efforts.

Lastly, we urge members of the Legislature to take into account the urgency of this matter and omit the referendum process. Doing so would increase Guam's revenues immediately, make much needed funding available to provide cancer care and prevention to our community, while at the same time reducing Guam's high tobacco use rates.

Sincerely,

American Cancer Society – Guam Field Office



Marisha Artero  
Community Manager – Health Initiatives

Francis  
Bill 150  
8/5/09

Angelina Garrido Mummert  
P. O. Box 4905  
Hagatna, Guam 96932

RECEIVED  
Acm  
8/5/09 2:40pm

July 28, 2009

Honorable Frank B. Aguon  
Chairman, Committee on Economic Development,  
Health & Human Services, and Judiciary  
30<sup>th</sup> Guam Legislature  
Ste. 701A, DNA Bldg.  
238 Archbishop Flores St.  
Hagåtña, Guam 96910

**Re: Letter in Support of Substitute Bill 150, An Act To Amend §26603 (a), (b), and (c) of Article 6, Chapter 26, Title 11 Relative to Increasing the Tobacco Tax**

Dear Senator Aguon:

***Hafa Adai!*** I am writing in strong support of substitute Bill 150 (An act to amend An Act To Amend §26603 (a), (b), and (c) of Article 6, Chapter 26, Title 11 Relative to Increasing the Tobacco Tax). I support increasing the tobacco tax by 100%, adding authorization for use of the additional tax dollars for cancer monitoring and surveillance systems to include the operation of the Guam Cancer Registry, and provisions for the creation of a Cancer Trust Fund.

Every month on Guam, five families will be told that someone they love has lung cancer. And sadly, during the same time three families will be mourning the loss of their loved one, just as my family has. I know from personal experience the tragedy that tobacco use has inflicted not only on individuals, but also on families. My husband, Jimmy, was a long time smoker, and died less than 8 months ago at age 59 from the devastating effects of lung cancer. He began smoking as a teenager and was a heavy, pack-a-day smoker. Despite all his efforts to quit with our family's encouragement, he was never fully successful. It wasn't until he was diagnosed with lung cancer in May 2008 that he was able to quit fully, much too late to save his life. Because of tobacco use, my family is now without my husband's love, support and guidance.

Throughout my husband's journey with cancer, we had to deal not only with the emotional toll of cancer, but also with the financial cost of treatment and care. Because we had to go off-island for his treatment, we had the added financial burden of traveling to the cancer treatment center, and the hardship of maintaining two households. We also experienced the loss of part of our income because we weren't able to work for six

months during his treatment. We were more fortunate than others because we have health insurance, but this didn't cover all our expenses. It is because of this hardship, that we hope the creation of a Cancer Trust Fund under the substitute Bill 150, will help families cover at least some of the cost of cancer care that they can ill afford to pay.

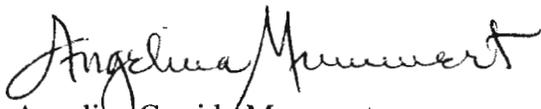
Tobacco use has affected our family in other ways. Like his father, our son, Ryan, also began smoking in his early twenties. Thankfully, he was able to successfully quit. Research has shown the connection that raising taxes on cigarettes has the greatest effect on reducing teenager's tobacco use. By raising tobacco taxes you can reduce the opportunity for our young people to ever take up smoking tobacco and/or to quit because it's no longer affordable.

There is no cure for lung cancer, but we can help prevent it by encouraging our young generation from ever smoking, and helping current smokers to quit. Raising tobacco taxes will aid in meeting this objective by not only making it less affordable for our youth, but will also provide a fund for needed tobacco prevention, control, and cessation.

Although I support the substitute Bill, I urge you to remove the section that requires the Bill to go through the referendum process. It will further delay passage and implementation of the Bill, and will impose a standard that other tax increases, including the original passage of the Act, have not been required to uphold.

Si Yu'os ma'ase and thank you for the opportunity to provide testimony at this hearing.

Sincerely,

  
Angelina Garrido Mummert

G.L.

## THE 4<sup>TH</sup> MICRONESIAN MEDICAL SYMPOSIUM AND THE GUAM MEDICAL SOCIETY PETITION

WHEREAS SMOKING IS THE SINGLE MOST PREVENTABLE CAUSE OF MORBIDITY AND MORTALITY IN THE US AND GUAM;

WHEREAS SMOKING CAN CAUSE LUNG CANCER, BLADDER CANCER, ESOPHOGEAL CANCER, NASOPHARYNGEAL CANCER, LIP CANCER, TONGUE CANCER;

WHEREAS SMOKING CAN CAUSE LUNG DISEASE, HEART ATTACKS AND STROKES;

WHEREAS SECOND HAND SMOKE CAUSES CANCER IN SPOUSES AND CHILDREN AND INNOCENT BYSTANDERS;

WE, THE UNDERSIGNED, RESIDENTS OF GUAM, WANT TO REDUCE THE BURDEN OF CANCER AND SMOKING RELATED DISEASES ON GUAM FOR OURSELVES AND OUR CHILDREN;

WE THEREFORE PETITION THE GOVERNOR OF GUAM AND THE LEGISLATURE TO RAISE THE TAXES ON CIGARETTES BY \$5.00 PER PACK TO LEAD THE NATION AS OUR PROACTIVE MOVE TO IMPROVE THE HEALTHCARE OF OUR PEOPLE AND OUR FUTURE GENERATIONS.

THE CIGARETTE TAX REVENUE SHOULD BE USED ONLY FOR HEALTHCARE AND SMOKING RELATED DISEASES PREVENTION AND TREATMENT, EDUCATION PROGRAMS AND SMOKING CESSATION PROGRAMS ON GUAM.

PRINTED NAME	SIGNATURE	VILLAGE	CONTACT NUMBER
1. BERNICE P. QUITMUA-RONERO	<i>[Signature]</i>	SINAJANA	566-5291
2. VINCENT ANTONIO	<i>[Signature]</i>	SMAR.	734-4577
3. GRACIEL LUNGAY	<i>[Signature]</i>	Pago Bay	789-9638
4. RENCE VETEL	<i>[Signature]</i>	Mangilao	647 2351
5. Esperanza OLIVA	<i>[Signature]</i>	Chalan Pago	734-7286
6. ATOIGNE. Bernadette	<i>[Signature]</i>	mangilao	648-2711
7. Tanja Jesus	<i>[Signature]</i>	Barriqada	734-1502
8. Smith. Arissa A.	<i>[Signature]</i>	Debedo	632-0752
9. Ken San Nicolas	<i>[Signature]</i>	Debedo	632-2746
10. Clarissa Cruz	<i>[Signature]</i>	Debedo	767-8375
11. Joel Cercado	<i>[Signature]</i>	Debedo	929-9488
12. Janet Weiss	<i>[Signature]</i>	Santa Rita	777-3670
13. Coftis Gregory	<i>[Signature]</i>	Yigo	868-8299

4<sup>TH</sup> MICRONESIAN MEDICAL SYMPOSIUM AND THE GUAM MEDICAL SOCIETY PETITION TO RAISE CIGARETTE TAX - 2009

66

PRINTED NAME	SIGNATURE	VILLAGE	CONTACT NUMBER
14. Arlene Castro	<i>[Signature]</i>	Dededo	
15. Marie P. Angoa	<i>[Signature]</i>	Mongmong	
16. CESAR GERALDO	<i>[Signature]</i>	BATAVIA	647-5212
17. Maricel Babas	<i>[Signature]</i>	Chalan Pago	988-9731
18. CHERYL EUSEBIO	<i>[Signature]</i>	Agaña	887-8842
19. LISA OIKOAIL	<i>[Signature]</i>	Taanung	688-5474
20. JOY NEVOR-FLORES	<i>[Signature]</i>	Tumon	777-0121
21. Mitsuyo Aquino	<i>[Signature]</i>	Agat	988-3437
22. ROBERT EVARISTO	<i>[Signature]</i>	HARMON	637-3739
23. Angie Santiago	<i>[Signature]</i>	TOTO	4776009
24. Emma Patawarta	<i>[Signature]</i>	Yigo	---
25. George Patawarta	<i>[Signature]</i>	Yigo	---
26. Angela Duenas	<i>[Signature]</i>	Mangilao	---
27. Benjamin Torres	<i>[Signature]</i>	Yona	789-1634
28. Anthony Santos	<i>[Signature]</i>	TUMON	878-0275
29. ANISA GANTANILLA	<i>[Signature]</i>	Mangilao	7341896
30. VICTOR TUVERO	<i>[Signature]</i>	AGAT	565-8488
31. Carol Oliver	<i>[Signature]</i>	SPR. RUK	5651280
32. Elizabeth Hamilton	<i>[Signature]</i>	Mangilao	734-2084
33. Clarissa Luhasan	<i>[Signature]</i>	Mangilao	734-0884
34. Gloria Babasa-Tanase	<i>[Signature]</i>	Yigo	482-2854
35. Estrella G. Babasa	<i>[Signature]</i>	Yigo	632-6130

CONTACT /RETURN FORM TO:

DR. JOHN TAITANO, THE DOCTOR'S CLINIC: 649-8228

DR. SAM FRIEDMAN, CANCER CENTER OF GUAM: 647-4656

CERINA MARIANO, DEPT. OF PUBLIC HEALTH AND SOCIAL SERVICES: 735-7335

MARISHA ARTERO AT AMERICAN CANCER SOCIETY

4<sup>TH</sup> MICRONESIAN MEDICAL SYMPOSIUM AND THE GUAM MEDICAL SOCIETY PETITION TO RAISE CIGARETTE TAX - 2009

*Rev. Pls. Include in Report*  
*10/13/09*

THE 4<sup>TH</sup> MICRONESIAN MEDICAL SYMPOSIUM AND THE GUAM MEDICAL SOCIETY  
**PETITION**

WHEREAS SMOKING IS THE SINGLE MOST PREVENTABLE CAUSE OF MORBIDITY AND MORTALITY IN THE US AND GUAM;

WHEREAS SMOKING CAN CAUSE LUNG CANCER, BLADDER CANCER, ESOPHOGEAL CANCER, NASOPHARANGEAL CANCER, LIP CANCER, TONGUE CANCER;

WHEREAS SMOKING CAN CAUSE LUNG DISEASE, HEART ATTACKS AND STROKES;

WHEREAS SECOND HAND SMOKE CAUSES CANCER IN SPOUSES AND CHILDREN AND INNOCENT BYSTANDERS;

WE, THE UNDERSIGNED, RESIDENTS OF GUAM, WANT TO REDUCE THE BURDEN OF CANCER AND SMOKING RELATED DISEASES ON GUAM FOR OURSELVES AND OUR CHILDREN;

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THE CIGARETTE TAX REVENUE SHOULD BE USED ONLY FOR HEALTHCARE AND SMOKING RELATED DISEASES PREVENTION AND TREATMENT, EDUCATION PROGRAMS AND SMOKING CESSATION PROGRAMS ON GUAM.

PRINTED NAME	SIGNATURE	VILLAGE	CONTACT NUMBER
1. BARCHINAS, JOSEPHINE R.	<i>[Signature]</i>	MERIZO	777-7235
2. CRUZ, DOLORES L.	<i>[Signature]</i>	"	828-4998
3. Franklin Quichocho	<i>[Signature]</i>	Agut	565-1962
4. Janice Quichocho	<i>[Signature]</i>	Agut	565-1962
5. Irene C. Sobrevilla	<i>[Signature]</i>	Agana Heights	4774142
6. EDUARDO MACHIE	<i>[Signature]</i>	Dededo	637-2943
7. Juan M. Taitao	<i>[Signature]</i>	Riwagana	472-6461
8. Michael Castro	<i>[Signature]</i>	Tamuning	482-1647
9. Menchie NARANJO	<i>[Signature]</i>	Dededo	797 9405
10. Teresita M. Tartano	<i>[Signature]</i>	Dededo	632-9728
11. ISABEL M. DUEÑAS	<i>[Signature]</i>	Mangilao	794-5074
12. ANGELA B. HALENCO	<i>[Signature]</i>	Dededo	632 2927
13. BERENICE M. HALENCO	<i>[Signature]</i>	Dededo	632 2927

4<sup>TH</sup> MICRONESIAN MEDICAL SYMPOSIUM AND THE GUAM MEDICAL SOCIETY PETITION TO RAISE CIGARETTE TAX - 2009

PRINTED NAME	SIGNATURE	VILLAGE	CONTACT NUMBER
14. Faustina T. Garcia	<i>Faustina T. Garcia</i>	Mangilai	734-2021
15. Bernard T. Garcia	<i>Bernard T. Garcia</i>	"	734-1548
16. SANDRA M. NAZ	<i>Sandra M. Naz</i>	Barrigada	969-3016
17. Stacey Medler	<i>Stacey Medler</i>	Dededo	777 3680
18. Joaquin P. Perez	<i>Joaquin P. Perez</i>	Santa Rita	565-2541
19. ROSALIA T. PEREZ	<i>Rosalia T. Perez</i>	Santa Rita	565 2544
20. Herbert L. Toues	<i>Herbert L. Toues</i>	meina	477-2498
21. Ken J. San Nicolas	<i>Ken J. San Nicolas</i>	Dededo	632-2746
22. Ed Emmanuel	<i>Ed Emmanuel</i>	Ordot	456 4476
23. RANDY CASTRO	<i>Randy Castro</i>	AGAS	565 2842
24. JUAN B. TOVES	<i>Juan B. Toves</i>	CHANLANPAGO	477-3424
25. Rosa I. Toves	<i>Rosa I. Toves</i>	Chalan Pago	477-3424
26. RODNEY A. TOVES	<i>Rodney A. Toves</i>	MONGMONG	472-6511
27. Kim PATRICIA	<i>Kim Patricia</i>	Dededo	632 5062
28. EVELYN O'KEEFE	<i>Evelyn O'Keefe</i>	Cyona	477-9178
29. Dolores Leon Guerrero	<i>Dolores Leon Guerrero</i>	Dededo	632-2569
30. Veronica R. Torres	<i>Veronica R. Torres</i>	Singana	477-9027
31. Daralynn Siquenza	<i>Daralynn Siquenza</i>	Inarajan	777-8295
32. Fe F. Siquenza	<i>Fe F. Siquenza</i>	Inarajan	828 9453
33. Elizabeth Villanueva	<i>Elizabeth Villanueva</i>	Dededo	637-8756
34. JIM VILLANUEVA	<i>Jim Villanueva</i>	DEDEDO	637-8756
35. Lou Neckeroy	<i>Lou Neckeroy</i>	Manglar	735-2160

CONTACT /RETURN FORM TO:

DR. JOHN TAITANO, THE DOCTOR'S CLINIC: 649-8228  
 DR. SAM FRIEDMAN, CANCER CENTER OF GUAM: 647-4656  
 CERINA MARIANO, DEPT. OF PUBLIC HEALTH AND SOCIAL SERVICES: 735-7335  
 MARISHA ARTERO AT AMERICAN CANCER SOCIETY

4<sup>th</sup> MICRONESIAN MEDICAL SYMPOSIUM AND THE GUAM MEDICAL SOCIETY PETITION TO RAISE CIGARETTE TAX - 2009

THE 4<sup>TH</sup> MICRONESIAN MEDICAL SYMPOSIUM AND THE GUAM MEDICAL SOCIETY  
**PETITION**

WHEREAS SMOKING IS THE SINGLE MOST PREVENTABLE CAUSE OF MORBIDITY AND MORTALITY IN THE US AND GUAM;

WHEREAS SMOKING CAN CAUSE LUNG CANCER, BLADDER CANCER, ESOPHOGEAL CANCER, NASOPHARANGIAL CANCER, LIP CANCER, TONGUE CANCER;

WHEREAS SMOKING CAN CAUSE LUNG DISEASE, HEART ATTACKS AND STROKES;

WHEREAS SECOND HAND SMOKE CAUSES CANCER IN SPOUSES AND CHILDREN AND INNOCENT BYSTANDERS;

WE, THE UNDERSIGNED, RESIDENTS OF GUAM, WANT TO REDUCE THE BURDEN OF CANCER AND SMOKING RELATED DISEASES ON GUAM FOR OURSELVES AND OUR CHILDREN;

WE THEREFORE PETITION THE GOVERNOR OF GUAM AND THE LEGISLATURE TO RAISE THE TAXES ON CIGARETTES BY \$5.00 PER PACK TO LEAD THE NATION AS OUR PROACTIVE MOVE TO IMPROVE THE HEALTHCARE OF OUR PEOPLE AND OUR FUTURE GENERATIONS.

THE CIGARETTE TAX REVENUE SHOULD BE USED ONLY FOR HEALTHCARE AND SMOKING RELATED DISEASES PREVENTION AND TREATMENT, EDUCATION PROGRAMS AND SMOKING CESSATION PROGRAMS ON GUAM.

PRINTED NAME	SIGNATURE	VILLAGE	CONTACT NUMBER
1. Vincent A Duenas	<i>Mulleon</i>	Porr.	477-0403
2. Lourdes Vilchos	<i>Juv</i>	Bare	472-9866
3. Herming Kiloboglo	<i>JKI</i>	TAM.	646-3654
4. Julie Duenas	<i>Julie Duenas</i>	Pan	477-0403
5. Joanne Q. Guerrero	<i>JQ</i>	Dededo	649-5023
6. Gina Davis	<i>Gina Davis</i>	Dededo	649-5018
7. George George	<i>George George</i>	Dededo	678-2610
8. JUANITA CASIGAL	<i>J</i>	Dededo	366-2127
9. LANA LERENGUE	<i>Lana Lerengue</i>	YONA	789-1905
10. Susan Hammer	<i>Susan Hammer</i>	YONA	789-1905
11. Leonora Dela Cruz	<i>Leonora Dela Cruz</i>	Dededo	637-1967
12. Lynn Cera	<i>Lynn Cera</i>	Dededo	685-0771
13. Teresita Indalecio	<i>T. B. Indalecio</i>	Ayanatits	499-6334

4<sup>TH</sup> MICRONESIAN MEDICAL SYMPOSIUM AND THE GUAM MEDICAL SOCIETY PETITION TO RAISE CIGARETTE TAX - 2009

PRINTED NAME	SIGNATURE	VILLAGE	CONTACT NUMBER
14. F.F. INDALECID	<i>F.F. Indalecio</i>	AGANA HTK	477-6330
15. MARIA BALAJAD	<i>Maria Balajad</i>	Sungson	477-3655
16. MARIA BALASTA	<i>Maria Balasta</i>	YOKA	727-8045
17. JOYNN FLORES	<i>Joyann Flores</i>	Talfofo	777-5954
18. YOUNG STANLEY	<i>Young Stanley</i>	Ylao	<del>686-8522</del>
19. VIRGINIA GYINS	<i>Virginia Gyins</i>	Ylao	683 3098
20. MICHAEL B. TOVES	<i>Michael B. Toves</i>	YONA	777-9399
21. JESSE C. GARCIA	<i>Jesse C. Garcia</i>	Gjin	982 1930
22. ANNIE B. MORA	<i>Annie B. Mora</i>	Toto	647-0042
23. ASCENSION GONZALES	<i>Ascension Gonzales</i>	Gjin	969 2548
24. JOYCE G. CURE	<i>Joyce G. Cure</i>	Gjin	687-0411
25. JOSEPH R. DUENAS	<i>Joseph R. Duenas</i>	Toto	898 7463
26. JUSTIN THOMAS CRUZ DUENAS	<i>Justin Thomas Cruz Duenas</i>	TOTO	686 7108
27. JOSEPH JESSE CRUZ DUENAS	<i>Joseph Jesse Cruz Duenas</i>	TOTO	989 4400
28. JULIE ANN CRUZ DUENAS	<i>Julie Ann Cruz Duenas</i>	TOTO	686 7108
29. ROLAND	<i>Roland</i>	DEPEDO	868-1288
30. MARGARET T.C. BAMBIA	<i>Margaret Theresa Bambia</i>	Toto	686 7107
31. GEORGE V. BAMBIA	<i>George Bambia</i>	Toto	686 7107
32. KATHERINE TAITANO	<i>Kate Taitano</i>	Agana HTS	34726574
33. PAULA BLAS	<i>Paula Blas</i>	Ylao	475-8943
34. BERTHA DUENAS	<i>Bertha Duenas</i>	Katlu HTS	627-6991
35. MARYLANN CABRERA	<i>Marylann Cabrera</i>	Sandofita	647-5212

CONTACT / RETURN FORM TO:

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 DR. SAM FRIEDMAN, CANCER CENTER OF GUAM: 617-4656  
 CERINA MARIANO, DEPT. OF PUBLIC HEALTH AND SOCIAL SERVICES: 735-7335  
 MARISHA ARTERO AT AMERICAN CANCER SOCIETY

4<sup>th</sup> MICRONESIAN MEDICAL SYMPOSIUM AND THE GUAM MEDICAL SOCIETY PETITION TO RAISE CIGARETTE TAX - 2009

Caroline Brown Apr 26 9 - 1497  
11/10/09

*Handwritten signatures and dates:*  
11/03/09  
11/03/09

THE 4TH MICRONESIAN MEDICAL SYMPOSIUM AND THE GUAM MEDICAL SOCIETY

PETITION

*Handwritten:* RECEIVED  
11-3-09

WHEREAS SMOKING IS THE SINGLE MOST PREVENTABLE CAUSE OF MORBIDITY AND MORTALITY IN THE US AND GUAM;  
 WHEREAS SMOKING CAN CAUSE LUNG CANCER, BLADDER CANCER, ESOPHOGEAL CANCER, NASOPHARANGEAL CANCER, LIP CANCER, TONGUE CANCER;  
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 WHEREAS SECOND HAND SMOKE CAUSES CANCER IN SPOUSES AND CHILDREN AND INNOCENT BYSTANDERS;

WE, THE UNDERSIGNED, RESIDENTS OF GUAM, WANT TO REDUCE THE BURDEN OF CANCER AND SMOKING RELATED DISEASES ON GUAM FOR OURSELVES AND OUR CHILDREN;  
 WE THEREFORE PETITION THE GOVERNOR OF GUAM AND THE LEGISLATURE TO RAISE THE TAXES ON CIGARETTES BY \$5.00 PER PACK TO LEAD THE NATION AS OUR PROACTIVE MOVE TO IMPROVE THE HEALTHCARE OF OUR PEOPLE AND OUR FUTURE GENERATIONS.  
 THE CIGARETTE TAX REVENUE SHOULD BE USED ONLY FOR HEALTHCARE AND SMOKING RELATED DISEASES PREVENTION AND TREATMENT, EDUCATION PROGRAMS AND SMOKING CESSATION PROGRAMS ON GUAM.

PRINTED NAME	SIGNATURE	VILLAGE	CONTACT NUMBER
1. Rosita S. Perez	<i>[Signature]</i>	Chalan Koyokoy	789-2385
2. Juan S.A. Duenas	<i>[Signature]</i>	Tamuning	446-1945
3. Concepcion D. Duenas	<i>[Signature]</i>	Tamuning	446-1945
4. Agnes Fernandez	<i>[Signature]</i>	Dededo	653-2630
5. Maria Hernandez	<i>[Signature]</i>	Mesa Yigo	U
6. Marie L.G. Sourcose	MARIE L.G. SOURCOSE	Mantle	---
<del>Marie L.G. Sourcose</del>	---	---	---
8. William A. Santillana	<i>[Signature]</i>	U-Tumon	646 1985
9. Mary T. Roberts	<i>[Signature]</i>	U-Tumon	646 1981
10. Wallace Roberts	<i>[Signature]</i>	"	"
11. NAOMI TAITANO	<i>[Signature]</i>	Yigo	653-2854/646-754
12. Angelina Medina	<i>[Signature]</i>	Barrigada	472-5575
13. Josephine C. Guo	<i>[Signature]</i>	Tamuning	727-576

MICRONESIAN MEDICAL SYMPOSIUM AND THE GUAM MEDICAL SOCIETY PETITION TO RAISE CIGARETTE TAX - 2009

PRINTED NAME	SIGNATURE	VILLAGE	CONTACT NUMBER
14. Jalia McCum	Jalia McCum	Yona	789-9004
15. RICHARD CRUZ	R. Cruz	Inarajan	482-7424
16. ANTONIO CRUZ	A. Cruz	Inarajan	828-1969
17. Joseph A. Tueda	Joseph A. Tueda	Talofoto	789-0566
18. Anne Blas	Anne Blas	Barr.	734-0789
19. Dena Bernabe	Dena Bernabe	Dededo	1032-4742
20. David M. Audyn	David M. Audyn	Dededo	1032-4742
21. Carlos E. Laganzo	Carlos E. Laganzo	mangilao	734-1595
22. Eva M. Laganzo	Eva M. Laganzo	mangilao	734-1595
23. Tomas C. Blas	Tomas C. Blas	Dededo	632-6388
24. Antonia B. Uson	Antonia B. Uson	Dede do	632-7529
25. Cesaria C. Arce	Cesaria Arce	Dede do	632-6388
26. Vicente G. Arce	Vicente G. Arce	ORDOT	777-5049
27. Jesusa Arce	Jesusa Arce	ORDOT	477-5049
28. Joseph Baletto	Joseph Baletto	Mangilao	787-9938
29. Anthony B. Capera	Anthony B. Capera	Yona	789-1502
30. Cesar Goenou	Cesar Goenou	BARR.	647-5212
31. Betty L. DALL	Betty L. DALL	Inarajan	828-9384
32. Maria Wana	Maria Wana	Yona	789-1015
33. BERT B. ALMARIO	Bert B. Almario	Sinzona	472-1483
34. Henry Aguirre	Henry Aguirre	Umata	Call 777-8151
35. MARIA SOPHIA SARDAS	Maria Sophia Sardas	Ayut	505-5129

CONTACT /RETURN FORM TO:

DR. JOHN TAITANO, THE DOCTOR'S CLINIC: 649-8228

DR. SAM FRIEDMAN, CANCER CENTER OF GUAM: 647-4656

CERINA MARIANO, DEPT. OF PUBLIC HEALTH AND SOCIAL SERVICES: 735-7335

MARISHA ARTERO AT AMERICAN CANCER SOCIETY

4<sup>th</sup> MICRONESIAN MEDICAL SYMPOSIUM AND THE GUAM MEDICAL SOCIETY PETITION TO RAISE CIGARETTE TAX - 2009

710 964 - 1427

11/11/09

THE 4<sup>TH</sup> MICRONESIAN MEDICAL SYMPOSIUM AND THE GUAM MEDICAL SOCIETY

PETITION

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 WHEREAS SECOND HAND SMOKE CAUSES CANCER IN SPOUSES AND CHILDREN AND INNOCENT BYSTANDERS;

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PRINTED NAME	SIGNATURE	VILLAGE	CONTACT NUMBER
1. Louisa A. <sup>ELFOA</sup>	<i>[Signature]</i>	Maqniloo	734-5611
2. MARIA ROSARIO CALTE	<i>[Signature]</i>	Pekelo	632-2384
3. ED. KALAU	<i>[Signature]</i>	Tamuning	646-5033
4. Angie Muna	<i>[Signature]</i>	Mang'iao	734-6405
5. Rosa N. Bamba	<i>[Signature]</i>	Agat	565-1856
6. Inamat Yoshida	<i>[Signature]</i>	Inarajan	777-2186
7. Dolores Angten	<i>[Signature]</i>	Inarajan	777-2184
8. Margarita Yoshida	<i>[Signature]</i>	Inarajan	828-8777
9. Gerard I. Cabana	<i>[Signature]</i>	ASAN	898-4611
10. Helen Whyp	<i>[Signature]</i>	Chalan Pago	477-8445
11. Jeffrey Deleon	<i>[Signature]</i>	Mongmong	472-1550
12. Charini S. Deleon	<i>[Signature]</i>	Mongmong	472-1550
13. LINDA R. KAISEN	<i>[Signature]</i>	DEDEDU	637-3878

4<sup>TH</sup> MICRONESIAN MEDICAL SYMPOSIUM AND THE GUAM MEDICAL SOCIETY PETITION TO RAISE CIGARETTE TAX - 2009

PRINTED NAME	SIGNATURE	VILLAGE	CONTACT NUMBER
14. CIELO RUBIO	<i>Cielo Rubio</i>	DEDEDO	632-3169
15. JOHN J. CRUZ	<i>John J. Cruz</i>	Mangro	477-3485
16. Victoria C. Cruz	<i>Victoria C. Cruz</i>	Mangro	477-3485
17. SONIA L. NAUANO	<i>Sonia L. Nauano</i>	Yico	653-0280
18. BENJAMIN TORO	<i>Benjamin Toro</i>	Yona	784-1634
19. GLENDA JEAN T. ...	<i>Glenda Jean T. ...</i>	BM	777-415
20. TOBACCA TITAGUA	<i>Tobacco Titagua</i>	Agua Hts	777-2592
21. FLORENCE CROSTON	<i>Florence Croston</i>	Barrigada	734-4458
22. Bob ...	<i>Bob ...</i>	Barrigada	
23. MARGARITA SABLAN	<i>Margarita Sablan</i>	Yigo	653-2907
24. Josephine Sablan	<i>Josephine J. Sablan</i>	Yigo	653 9511
25. EDWARD L. DUELLS	<i>Edward L. Duells</i>	SIUKSANA	477-8371
26. Maria V. Ogo	<i>Maria V. Ogo</i>	Dededo	632-9183
27. EDDIE A. ...	<i>Eddie A. ...</i>	Barrigada	734-1945
28. FRANCIS ...	<i>Francis ...</i>	Barrigada	734-1945
29. BENJAMIN ...	<i>Benjamin ...</i>	Dededo	989-0968
30. ANNIE B. MESA	<i>Annie B. Mesa</i>	Santa Rita	525-2622
31. Guadalupe C. Balanta	<i>Guadalupe C. Balanta</i>	Santa Rita	565-2622
32. Guadalupe C. Balanta	<i>Guadalupe C. Balanta</i>	Banta Rita	
33. ANGELO S. ...	<i>Angelo S. ...</i>	Dededo	909-2876
34. VICENTIO EVANGELISTA	<i>Vicentio Evangelista</i>	TOTO	477-7739
35. DORIS T. YI	<i>Doris T. Yi</i>	CHALAMPAGO	492-4439

CONTACT / RETURN FORM TO:

- DR. JOHN TAITANO, THE DOCTOR'S CLINIC: 649-8228
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4<sup>TH</sup> MICRONESIAN MEDICAL SYMPOSIUM AND THE GUAM MEDICAL SOCIETY PETITION TO RAISE CIGARETTE TAX - 2009

Bill No. 150

0694497

10/14/09

THE 4<sup>TH</sup> MICRONESIAN MEDICAL SYMPOSIUM AND THE GUAM MEDICAL SOCIETY

RECEIVED

PETITION

WHEREAS SMOKING IS THE SINGLE MOST PREVENTABLE CAUSE OF MORBIDITY AND MORTALITY IN THE US AND GUAM;

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PRINTED NAME	SIGNATURE	VILLAGE	CONTACT NUMBER
1. Larry Hagan	[Signature]	Tian	787-5557
2. KENNETH J. MESA	[Signature]	ASAN	477-2108(h)
3. ESTER T. Cruz	[Signature]	Mangilao	734-5350
4. GEORGE DUEÑAS	[Signature]	Mangilao	734-3596
5. Rogelio B. Souza	[Signature]	Yigo	655-8023
6. LORENZA L.G. Mendola	[Signature]	Mangilao	Cell-456-6626
7. JESSE MORA	[Signature]	Mangilao	
8. SERAFIN P. Cruz	[Signature]	DEDEDO	633-4828
9. Eddie S. Aguilar	[Signature]	Baniagada	969-8150
10. Concepcion C. Salas	[Signature]	Baniagada	868-1530
11. Jessica Laguana	[Signature]	Agaña Heights	787-4309
12. Sister Francis Jerome	[Signature]	Hagåtña	477-9291
13. Theresia P. Reyes	[Signature]	Deedee	689-2322

4<sup>TH</sup> MICRONESIAN MEDICAL SYMPOSIUM AND THE GUAM MEDICAL SOCIETY PETITION TO RAISE CIGARETTE TAX - 2009

PRINTED NAME	SIGNATURE	VILLAGE	CONTACT NUMBER
14. JENNIFER DUENAS	<i>Jennifer Duenas</i>	Dededo	878-5899
15. RICHARD REBER	<i>R. Reber</i>	PITI	472-5459
16. <del>ANTONIO PALACIOS</del>	<del><i>Antonio Palacios</i></del>	<del>PITI</del>	<del>472-5459</del>
17. ANTONIO PALACIOS	<i>Antonio Palacios</i>	Agat	969-6787
18. Emilia M. Palacios	<i>Emilia M. Palacios</i>	Agat	969-6787
19. KENNETH FORTER	<i>Kenneth Forter</i>	Agat	472-3695
20. Jeffery Labra	<i>Jeffery Labra</i>	Santa Rita	969-7902
21. Kimberly Labra	<i>Kimberly Labra</i>	Santa Rita	929-1119
22. ELYDIA TAITANO	<i>Elydia Taitano</i>	C. Pagan	734-4913
23. RALPH TAITANO	<i>Ralph Taitano</i>	C. Pagan	734-4913
24. Janet Sanchez	<i>Janet Sanchez</i>	Agat	505-1863
25. CONNIE SAN NEDAS	<i>Connie San Nedas</i>	Barrigada	734-5459
26. Brian Arriola	<i>Brian Arriola</i>	Tamuning	482-8559
27. HENG TOM	<i>Heng Tom</i>	Yllo	969-2117
28. LILLIAN B. LAMT	<i>Lillian B. Lamt</i>	Yllo	632-9720
29. JANE B. LAMT	<i>Jane B. Lamt</i>	Yllo	632-9721
30. VIRGINIA SANCHEZ	<i>Virginia Sanchez</i>	Tamuning	646-8812
31. Agnon, Mary	<i>Mary Agnon</i>	Umatac	969-8018
32. Agnon, Pearl	<i>Pearl Agnon</i>	Umatac	
33. TOPASIA, RAMON	<i>Ramon Topasia</i>	Sinajani	477-9344
34. TOPASIA, LUCIA	<i>Lucia Topasia</i>	Sinajani	477-9341
35. ROSITA CALUP	<i>Rosita Calup</i>	U	477-3676

CONTACT /RETURN FORM TO:

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4<sup>th</sup> MICRONESIAN MEDICAL SYMPOSIUM AND THE GUAM MEDICAL SOCIETY PETITION TO RAISE CIGARETTE TAX - 2009



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Frances,

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From: Ormeo <beaunestoy@yahoo.com>

Date: Thu, Jul 23, 2009 at 2:13 AM

Frances Lizama

Subject: Cigarette tax

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To: aguon4guam@gmail.com

Cc: Christine Lewis <cancer\_guam@yahoo.com>, Jerone Landstrom <guamhands@teleguam.net>

TABONARES, Gina

LIDIA, Mike - Sen. Cru..

MENDIOLA, Stephani ..

QUITUGUA, Ronald ..

SEN. AGUON, Frank ..

Options Add Contact

Dear Senator Aguon:

I have heard about the proposed bill, 150 for the first time. As the sole oncologist in the area and seeing most of the Guam and CNMI patients with cancer, I can say without reservation that at least 50% of the oncology cases are due to tobacco use. Lung cancers are unusual, and a much more benign disease, in the non smoker. Head and neck cancers (lips, tongue, tonsil, oropharynx, larynx, etc.) until recently were relatively unknown in non smokers (some milder forms are now known to be associated with HPV infections), as are cancers of the bladder, esophageal and a great proportions of colon and pancreatic cancers. Guam has the highest cigarette consumption per capita in the USA, and not surprisingly, the highest rate of cancer per capita!

However devastating and prevalent malignant disease is in the smoker, it is the tip of the iceberg of disease caused by cigarettes. Far more prevalent is cardiovascular disease, which when paired with diabetes so prevalent on Guam, makes for a most deadly combination I have never seen anywhere so many people die at such a young age as in this area

I have been advocating a \$5.00/package cigarette tax to prevent or at least reduce people from smoking and especially to keep young people from starting the habit. Much as I personally hate to see government intrusion, people who will not help themselves need the assistance of a punitive tax to aid the situation. I have been impressed by the number of patients who 'could not stop smoking' but stopped the day they were told they had cancer, or serious heart disease, unfortunately much too late!

I have heard some of your fellow senators state that raising cigarette tax will not increase the revenue for the government. They apparently do not factor in the millions upon millions spent on health care needs annually caused by smoking, to say nothing of the human tragedies.

I will support this tax in any way I can. Unfortunately, due partially to the effects of smoking upon my workload, I do not have the time to come down and testify personally.

Please feel free to read this e-mail if you believe it will help your fellow senators wake up and do something positive for the people of Guam.

Respectfully,  
Dr. J. Samuel Friedman  
Cancer Center of Guam

Flight Guam  
Search Flight Tim  
Save Money  
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Need concrete-bi  
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Dear Senator Aguon:

Thank you for your reply. I have felt like a voice in the wilderness for too long on Guam, dealing with the end results of smoking. It is good to see there are some concerned senators in Hagatna.

I just finished reading the following editorial from the NEJM, the world's most respected medical journal. You might wish to read some of the statements made in this article as well.

Best regards,

Sam Friedman

EDITORIAL

Previous

Volume 361:402-403

July 23, 2009

Number 4

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Tobacco, Public Health, and the FDA

Gregory D. Curfman, M.D., Stephen Morrissey, Ph.D., and Jeffrey M. Drazen, M.D.

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More than a decade ago, David Kessler, then Commissioner of the Food and Drug Administration (FDA), launched a bold initiative to regulate tobacco. He believed that since nicotine is an addictive substance, it fell under the statutory authority of the FDA to regulate it as a drug and cigarettes as the delivery vehicle.

His effort failed, however, when the U.S. Supreme Court decided in a 5-4 ruling (*FDA v. Brown & Williamson Tobacco Corp.*) that the Food, Drug, and Cosmetic Act of 1938, which defined the FDA's authority, did not grant the agency jurisdiction to regulate tobacco. Writing for the Court, Justice Sandra Day O'Connor concluded that "it is plain that Congress has not given the FDA the authority to regulate tobacco products."<sup>1</sup> The Court's decision was based on its reading of the statutory language in the act, not on what was best for the health of the public.

On June 22, President Barack Obama changed all that. With the signing of the Family Smoking Prevention and Tobacco Control Act of 2009, which was passed by sizable majorities in both the House and the Senate (and which we endorsed), the FDA has been given broad authority to regulate tobacco products. We believe that this historic legislation can have an unparalleled positive impact on the health of the American public.

The act establishes the Center for Tobacco Products, a unit within the FDA that will be funded by user fees from tobacco manufacturers and importers — \$235 million in fiscal year 2010, rising to \$712 million over the next 10 years. The center is charged with regulating tobacco products for the explicit purpose of protecting the health of the public. The FDA will now have the authority to require that all ingredients, compounds, and additives in tobacco products be reported to the agency, and those found to have harmful health effects may be banned. Nicotine levels in cigarettes may be regulated, but neither nicotine nor cigarettes may be banned outright. In keeping with the act's focus on protecting those under 18 years of age, flavorings in cigarettes, which are meant to appeal to young smokers, are banned, with the exception of menthol, which could be banned later if found to be a health hazard. No new tobacco product can be marketed unless first approved by the FDA.

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About

Importantly, the act will also allow regulation of so-called modified risk tobacco products, which are typically identified by terms on the package such as "light," "low," or "mild." The use of such terms will no longer be permitted unless the product has been shown to significantly reduce harm. Warning labels on cigarette packages will be made more graphic and will require the use of color. Tobacco companies may no longer sponsor sporting events.

For the first time in almost 40 years, state and local governments will be allowed to regulate the marketing of tobacco, establishing restrictions that may be more rigorous than those of the FDA. In addition, the act requires that the 1996 Tobacco Rule, which was put in place by Commissioner Kessler and deemed unconstitutional by the Supreme Court, must be reinstated. This rule places restrictions on tobacco advertising, including a ban on outdoor advertising within 1000 ft of a school. It is anticipated that this regulation may be the focus of a constitutional challenge on the basis that such advertising represents commercial speech subject to First Amendment protection. Still, there is good reason to believe that this carefully crafted provision, which is narrowly tailored to focus on smoking prevention in the nation's young, will survive any such legal challenge.

The long-term impact of the Family Smoking Prevention and Tobacco Control Act on the health of the public will depend critically on its implementation through strict regulations, rigorously enforced. FDA Commissioner Margaret Hamburg and Principal Deputy Commissioner Joshua Sharfstein promise to be strong advocates for rigorous enforcement.

In a recent article in the *Journal*, Hamburg and Sharfstein laid out their new mission.<sup>2</sup> They regard the FDA as a public health agency whose purpose is not just to regulate the nation's food and drug supplies, but to protect the health of American citizens. Hamburg has also indicated that she is eager to undertake the regulation of tobacco and said in an interview, "We now have an opportunity to really make a difference with what is probably the No. 1 public health concern in the nation and the world."<sup>3</sup>

Few threats to the health of the public are as onerous as tobacco. Each year more than 435,000 Americans die of tobacco-related illnesses, principally heart, vascular, and lung diseases. Tobacco use is also associated with substantial morbidity and diminished quality of life. More than one in five Americans still smoke, an astonishing figure given the overwhelming evidence of harm. In addition to excess morbidity and mortality, tobacco adds considerably to health care costs at a time when reducing costs is a national priority. The total annual health care expenditures caused by smoking run to \$96 billion.<sup>2</sup> Along with other critical prevention goals, such as controlling obesity and increasing levels of physical activity, the elimination of cigarette smoking is central to improving the health of our citizens and mitigating the growth of health care costs.

The Family Smoking Prevention and Tobacco Control Act of 2009 comes at a propitious moment in U.S. history. We strongly support the FDA's new leaders and urge them to implement the act aggressively. As a medical journal, we are committed to eliminating the public health threat tobacco represents to American society and the world.

### Source Information

This article (10.1056/NEJMe0905622) was published on June 22, 2009, at NEJM.org.

### References

1. FDA v. Brown & Williamson Tobacco Corp. 529 U.S. 120 (2000).
2. Hamburg MA, Sharfstein JM. The FDA as a public health agency. *N Engl J Med* 2009;360:2493-2495. [[Free Full Text](#)]
3. Harris G. New F.D.A. chief says she'll toughen enforcement efforts. *New York Times*. June 17, 2009:A19.
4. Campaign for Tobacco-free Kids. Toll of tobacco in the United States of America. April 2009. (Accessed June 22, 2009, at <http://www.tobaccofreekids.org/research/factsheets/pdf/0072.pdf>.)

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July 28, 2009

Honorable Frank B. Aguon, Jr.  
Ste. 701A, DNA Bldg.  
238 Archbishop Flores St.  
Hagåtña, Guam 96910  
Ph.: (671) 969-1494/5/6  
Fax: (671) 969-1497  
e-mail: [aguon4guam@gmail.com](mailto:aguon4guam@gmail.com)

Re: Testimony in support of Bill 150 relative to increasing the tax on tobacco products

Dear Senators of the 30<sup>th</sup> Guam Legislature:

My name is Roy Aguon. I am a caregiver to my loving wife Oliva who is a cancer survivor. I am also a former smoker. I quit smoking in 1993 after suffering a heart attack, which was attributed to my smoking habit. I am writing this testimony in support of Bill 150, which will increase the tax on tobacco products.

While Bill 150 is a step in the right direction, I understand that a substituted version provides an additional component to the proposed tax increase, by earmarking a portion of the tax revenues specifically for cancer prevention and cancer care. It is critical that this substituted version, with the earmarking provision, is the one that is adopted.

When my wife was diagnosed, my main thought was, we are going to get through this together. Unless you have been through the cancer journey, there are no words to express the feelings, emotions and fear that runs through your mind on a daily basis. Luckily, after all the doctor's visits, rounds of radiation and chemotherapy, and hours of prayer, nine years later, we are still here, together and both tobacco free.

Our story is not unique, but since many people are not able or willing to share their story, we share it with you today in the hopes that we can help others avoid the same fate. We all know the dangers of tobacco use. We need to keep the message clear and strong, if you haven't started, don't. If you are already addicted, seek assistance to quit.

Bill 150 as substituted by the author will help keep the tobacco products out of the hands of my grandchildren by providing a funding source for prevention programs. The substituted version will also provide the resources to sustain our tobacco cessation programs that will help my family and friends who want to quit using tobacco, but need professional assistance and guidance.

Given the urgency of the situation with regards to providing cancer care support to our community, this substituted bill should be passed immediately by you our senators, without need for a referendum or the like.

Senators, there are times when you will need to make tough and unpopular decisions. We have entrusted you with that responsibility, now is the time to fulfill it.

Sincerely,

Roy Aguon  
Caregiver and Former Smoker



**To:** Honorable Frank B. Aguon, Jr.  
Chairman, Committee on Economic Development,  
Health & Human Services, and Judiciary  
30<sup>th</sup> Guam Legislature, Ste. 701A, DNA Bldg.  
238 Archbishop Flores St., Hagåtña, Guam 96910

**Re:** **Testimony in Strong Support of Bill No. 150**  
Public Hearing, July 28, 2009; 1:00 P.M. Guam Legislature Public Hearing Room  
(Sent via email to: [aguon4guam@gmail.com](mailto:aguon4guam@gmail.com))

Dear Senator Aguon, Jr. and Members of the Committee on Economic Development,  
Health & Human Services, and Judiciary:

I am writing this testimony in strong support of Guam's Bill 150 providing for a 100% tobacco tax increase, from \$1.00 per pack to \$2.00 per pack. I have spent most of my public health career working in chronic disease prevention and control, including five years managing the Chronic Disease Prevention & Control Program at the Guam Department of Public Health & Social Services, from 1992 to 1997. For the past six years I have worked for the National Cancer Institute's Cancer Information Service, Pacific Region, based at the Cancer Research Center of Hawaii in Honolulu, serving the Territory of Guam, as well as Hawaii and the other U.S.-affiliated Pacific Islands. I currently serve as the Executive Director of the Hawaii Public Health Association (HPHA), whose mission is to promote public health in Hawaii and the Pacific, and whose members have strongly supported tobacco tax increases in Hawaii as one of the best ways to protect and promote public health.

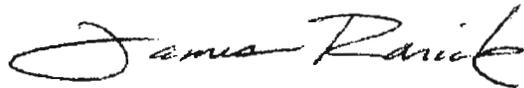
The link between smoking and chronic disease and premature death is well known, and goes far beyond lung cancer, the leading cause of cancer and cancer deaths on Guam. Smoking also is a major risk factor in the development of cancers of the esophagus, larynx, mouth, throat, kidney, bladder, pancreas, stomach, and cervix, as well as acute myeloid leukemia. Smoking also increases the risk of cardiovascular disease, is an independent risk factor for developing Type 2 diabetes, and greatly increases the risk of serious complications for individuals who have diabetes. Cigarette smoking is associated with a tenfold increase in the risk of dying from chronic obstructive lung disease (COPD) and about 90% of all deaths from COPD are attributable to cigarette smoking. Smoking is also the most modifiable risk factor for poor birth outcomes. Babies born to women

who smoke during pregnancy have about 30% higher odds of being born prematurely and are more likely to be born with low birth weight. Children, and especially young children, who are exposed to secondhand smoke are more likely to experience behavioral problems as well as many health problems which translate into poor health outcomes later in life.

Increasing cigarette and tobacco taxes has been shown to be one of the best ways to reduce smoking. This has been well demonstrated in Hawai'i, where the combination of a strong tax increase on cigarettes and smoke-free laws have played an important role in reducing youth smoking rates from 24.5% in 2000 to 9.7% in 2007 and adult smoking rates from 17.5% in 2007 to 15.4% in 2008. Guam has particularly high tobacco use rates among youth. Increasing the price of tobacco products has been found to have the greatest impact on preventing youth from becoming daily and relatively heavy daily smokers, with youth being two to three times more sensitive to price changes than adults. Price increases have also been shown to reduce the smoking rates of pregnant women, thus reducing the risk factors noted above. An increase in the price of tobacco—particularly cigarettes, will reduce consumption, thereby reducing the diseases and adverse health affects caused by smoking and other tobacco use.

This bill will also provide further benefit to public health by increasing revenues dedicated to health, saving in long-term health-related costs, and by ensuring support for the Guam Cancer Registry. I strongly urge you to remove the referendum provision in Section 3 of Bill 150 which would delay the bill's passage to November 2010, thus delaying the immediate benefit this measure can have on public health in Guam.

Thank you for the opportunity to offer testimony in strong support of Bill 150.



James Rarick, MPH, Executive Director, HPHA

Mailing Address:

PMB 336, 7192 Kalaniana'ole Hwy, STE A143A

Honolulu HI 96825-1832

E-mail: [hpha@hawaii.rr.com](mailto:hpha@hawaii.rr.com)

Website: [www.hawaiipublichealth.org](http://www.hawaiipublichealth.org)

To: Honorable Frank B. Aguon, Jr.  
Ste. 701A, DNA Bldg.  
238 Archbishop Flores Street  
Hagatna, Guam 96910

Re: Bill No. 150, Public Hearing, July 28, 2009, at 1:00 P.M.

### TESTIMONY IN SUPPORT

Senator Aguon Jr., and members of the Committee on Economic Development, Health & Human Services, and Judiciary. My name is Jackie Berry, the Executive Director for Healthy Mothers Healthy Babies Coalition of Hawaii.

I strongly support Bill No. 150. I'm sure the committee is aware that data indicates that raising cigarette and tobacco taxes not only produces additional revenues, it reduces smoking levels at the same time. Reducing smoking levels will have a proactive impact on the various health related diseases caused by smoking or tobacco use. These include;

- Cancer
- Respiratory Diseases
- Heath Disease and Heart Attacks
- Sudden Infant Death Syndrome (from secondhand smoke)

I also strongly support allocating the revenues generated by this bill to the Healthy Futures Fund. It is no secret that Guam's health care system is in crisis, and the cost of providing health care services is increasing. Even today GMHA has to struggle to provide maintain adequate staffing levels in specialty physicians, nurses, radiologists, respiratory technicians and other personnel. We need to ensure that GMHA remains viable and can meet the health care needs the people of Guam.

Finally I would like to offer a comment on having this bill go to referendum. As you all know the Senate has the authority to pass Bill 150 directly and skip the referendum process. Doing so would increase revenues immediately, make additional funds available to GMHA, while at the same time reducing Guam's high smoking and tobacco use rates.

I would urge the committee members to remove the referendum provision of Bill 150, and vote to enact Bill 150 quickly rather than wait until November 2010.

Thank you for giving me the opportunity to offer this testimony in support here today.

With Regards,

Jackie Berry  
Executive Director

July 29, 2009

Honorable Frank B. Aguon, Jr.  
Ste. 701A, DNA Bldg.  
238 Archbishop Flores St.  
Hagåtña, Guam 96910

**RE: Letter in Support of Bill 150 (An Act to amend §26603 (a), (b), and (c) of Article 6, Chapter 26, Title 11 Relative to Increasing the Tobacco Tax)**

Dear Senator Aguon,

**Hafa Adai!** This letter is in support of Bill 150 (An Act to amend §26603 (a), (b), and (c) of Article 6, Chapter 26, Title 11 Relative to Increasing the Tobacco Tax).

My family and I strongly support the tobacco tax increase. There is no more effective intervention to reduce smoking rates than to increase the price of cigarettes. Studies show that an increase in cigarette prices would discourage more young people from starting smoking and encourage those who do smoke to quit.

For 48 years my father smoked cigarettes. In 1997, at the age of 64 years, I lost my father to colon cancer. One of the known risk factors for colon cancer is smoking – an addiction which my father fell victim to at the young age of 14 years. Looking back, I can't help but think about how accessibility to cigarettes played a huge role in my father's addiction. As a mother, I do my best to promote a tobacco-free lifestyle, serving as a role model for my children and teaching them about the health risks related to tobacco use, which include cancer, heart disease, high blood pressure and diabetes. Unfortunately, this can be quite a challenge when we are regularly interacting with relatives and friends who smoke; and is much more so when my children are faced with smokers their age at school and in our community.

The public health benefits resulting from higher tobacco costs are well documented. Increasing the tobacco tax will result in significant healthcare savings because fewer smokers means fewer people with strokes, heart attacks, cancer, and other smoking-related health conditions. Aside from the positive public health benefit, our island will generate new revenue that will provide critically needed funding for tobacco treatment, cancer prevention and cancer care.

While Bill 150 is a step in the right direction, I understand that a substituted version provides an additional component to the proposed tax increase, by earmarking a portion of the tax revenues specifically for cancer prevention and cancer care. It is critical that this substituted version, with the earmarking provision, is the one that is adopted.

Given the urgency of the situation with regards to providing cancer care support to our community, this substituted bill should be passed immediately by our senators, without need for a referendum or the like.

Thank you,



Cerina Y. Mariano  
Post Office Box 26670  
Barrigada, GU 96921  
cerina.mariano@gmail.com

BARBARA S.N. BENAVENTE  
287 W. SAN ANTONIO AVENUE  
DEDEDO, GUAM

July 28, 2009

The Honorable Frank Aguon  
Senator, I Mina' Trenta Na  
Liheslaturan Guahan  
155 Hesler Place  
Hagatna, Guam 96910

Dear Senator Aguon:

I submit this written testimony as a private citizen in support of Bill 150 that proposes **AN ACT TO AMEND §26603 (a), (b), AND (c) OF ARTICLE 6, CHAPTER 26, OF TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO INCREASING TOBACCO TAXES, THE HEALTHY FUTURES FUND, AND CREATING A GUAM CANCER TRUST ACCOUNT.**

While I am not a proponent for increasing the already high costs of living on Guam, I do advocate and support legislative measures that would rightfully place the financial burden of addiction, required intervention and medical treatment resulting from the choices freely made by individuals in our community.

The undisputable fact remains that harmful effects of tobacco and exposure to any form of tobacco use causes significant health problems on Guam. Our island has one of the highest rates per capita of cancer patients; significant studies have shown that the largest cause of morbidity and mortality has been associated with smoking. Smoking is associated with cancer, heart disease, stroke, emphysema, bronchitis, low birth-weight babies, and sudden infant death syndrome, increased frequency of colds and ear infections, and asthma in a smoking household.

I support Legislative Bill 150 – **the substituted version** that provides an additional component to the proposed tax increase, by earmarking a portion of the tax revenues specifically for cancer prevention and cancer care. This tax increase reduces the burden placed upon its tobacco non-using citizens and more importantly is critically needed to pay for prevention and treatment programs. These funds generated, when channeled appropriately, will be spent on supporting prevention efforts, treating preventable illnesses, reducing disparities in the health status of populations and enhancing the quality of life on Guam. Raising cigarette and tobacco taxes is for the betterment of the whole community and can be viewed as an investment made now by the purchasers and users of tobacco into potential health and medical services they and their families may need in the future. These proposed tax increases can also be viewed as a user fee for the

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approximate 34.5% of Guam adult smokers who do not pay the full societal costs resulting from their choices to use tobacco.

As a voter and taxpayer, I request that the all members of the 30<sup>th</sup> Guam Legislature facilitate with a great sense of urgency, the immediate adoption of the substituted version of Bill 150 to raise tobacco taxes and to earmark revenues for cancer prevention and control. The time to take action is now; we must not wait till a referendum is held during the November 2, 2010 general election to address this issue. This legislative measure will be **the single most effective measure** to reduce smoking within a population, especially among two of the most vulnerable groups in a community---youth and the poor.

Respectfully,



BARBARA S.N. BENAVENTE

cc: Senators, 30<sup>th</sup> Guam Legislature

To: Honorable Frank B. Aguon, Jr.  
Chairman,  
Committee on Economic Development, Health and  
Human Services and Judiciary  
30<sup>th</sup> Guam Legislature  
Suite 710A, DNA Bldg.  
238 Archbishop Flores Street  
Hagatna, Guam 96910

Re: Bill No. 150

Buenas Dias Senadot Aguon,

I am writing in support of Bill 150 and request that you include my written testimony into your committee report.

This bill will help us with lung cancer and diseases associate with tobacco and tobacco products. I am sure you and your committee is aware that cigarette tax increases around the country have show that raising cigarette and tobacco taxes not only produces additional revenues while at the same time reducing smoking levels. Reducing smoking levels will have a positive influence on health related diseases which are caused by the use of tobacco products.

I support the allocation of the revenues generated by this bill to the Healthy Futures Fund. We know that our health care system is in crisis and that the cost of health care is increasing. I hope that you will support the Guam Memorial Hospital and the Department of Public Health and Social Services to provide adequate staffing levels in specialty physicians, nurses, radiologists, respiratory technicians and other personnel. We need to ensure that these health care professionals are able to deliver the health care needs of our people.

While Bill 150 is well written, I request that this bill be implemented upon enactment. I urge the committee and the body to remove the referendum provision in Section 3 of the bill. Please vote to enact Bill 150 quickly rather than waiting until November 2010 for a referendum.

For the good of our people, be brave, bold, and caring.

Si Yuus Masse,

Frank T. Ishizaki



COALITION FOR A  
TOBACCO-FREE HAWAII

July 24, 2009

To: Honorable Frank B. Aguon, Jr., Chair  
Ste. 701A, DNA Bldg., 238 Archbishop Flores Street, Hagatña, Guam 96910  
(Sent via email to [aguon4guam@gmail.com](mailto:aguon4guam@gmail.com))

Re: **Testimony in Strong Support of Bill No. 150**  
Public Hearing, July 28, 2009; 1:00 P.M. (Guam Legislature Public Hearing Room)

---

Dear Senator Aguon, Jr. and Members of the Committee on Economic Development, Health & Human Services, and Judiciary:

Thank you for the opportunity to provide comments in support of Bill No. 150. The Coalition for a Tobacco-Free Hawai'i ("Coalition") is a small nonprofit of over 3,000 individuals and organization working to reduce tobacco use in Hawai'i. The Coalition strongly encourages you to pass Bill No. 150.

Increasing cigarette and tobacco taxes is a smart way to reduce smoking. Not only will Guam see an increase in revenues dedicated to health, it will save in long-term health-related costs. An increase in the price of tobacco—particularly cigarettes, will reduce consumption, thereby reducing the diseases and adverse health affects caused by smoking and other tobacco use. Smoking or tobacco use causes and significantly impacts numerous cancers, heart disease and heart attacks, and Chronic Obstructive Pulmonary Disease ("COPD") and asthma.

Hawai'i now has the 4<sup>th</sup>-highest cigarette tax among the fifty states. Prior to this, our State Legislature passed a strong tax increase on cigarettes and a Smoke-Free Workplaces Law. Our collective strong laws on tobacco have played an important role in reducing our youth smoking rates from 24.5% in 2000 to 9.7% in 2007 and adult smoking rates from 17.5% in 2007 to 15.4% in 2008. Significant portions of the cigarette tax increase are dedicated to our community health centers, emergency medical services, trauma services, and cancer research.

Please ensure the tobacco tax revenues generated continue to be dedicated to the Healthy Futures Fund. Guam's health-care system is crucial and stands at a critical point. The Guam Memorial Hospital Authority ("GMHA") struggles to provide services and maintain adequate staffing levels. GMHA must remain viable and ever-ready to meet the health care needs the people of Guam.

In addition, please remove the referendum provision in Section 3 of Bill 150. Delaying the bill's passage to November 2010 impacts the health of Guam's people and while also delaying the much-needed revenues for your health care systems.

Thank you for the opportunity to offer testimony in strong support of Bill 150.

Sincerely,

Trisha Y. Nakamura, JD  
Policy and Advocacy Director



July 24, 2009

To: Honorable Frank B. Aguon, Jr.  
Ste. 710A, DNA Bldg.  
238 Archbishop Flores Street  
Hagatna, Guam 96910

Re: Bill No. 150, Public Hearing, July 28, 2009, at 1:00 P.M.

### TESTIMONY IN SUPPORT

Senator Augon Jr., and members of the Committee on Economic Development, Health & Human Services, and Judiciary. On behalf of the American Cancer Society Hawaii Pacific, Inc., I am happy to offer this written testimony in strong support of Bill 150.

The primary mission of the American Cancer Society is eliminating cancer as a major health problem by preventing cancer, saving lives, and diminishing suffering from cancer, through research, education, advocacy, and service. This mission includes advocating for effective tobacco control measures, including raising taxes on cigarettes and tobacco products.

From economic research we know that tobacco tax increases are a predictable and stable source of substantial new state revenues. Every single state that has significantly raised its cigarette tax rate has enjoyed substantial increases to state revenues, despite the related declines in state smoking levels and despite any related increases in cigarette smuggling or cigarette tax avoidance. Put simply, the increased tax per pack sold brings in more new revenue than is lost by the related pack sales declines. Also the new higher levels of state tobacco tax revenues typically decline by only about two percent per year, on average, because of ongoing reductions in state smoking rates. Year to year, state cigarette tax revenues are more predictable and less volatile than many other state revenue sources, such as state income tax or corporate tax revenues, which can vary considerably year to year because of nationwide recessions or state economic slowdowns.

The passage of this bill will not only reduce smoking levels in Guam it will also have a proactive impact on the various health related diseases caused by smoking or tobacco use, including;

- Cancer's (including lung, esophageal and larynx cancer)
- Respiratory Diseases (such as COPD and emphysema)
- Health Disease and Heart Attacks (21% of all coronary heart disease deaths are related to smoking)

We also support allocating the revenues generated by this bill to the Healthy Futures Fund. It is no secret that Guam's health care system is in crisis, and the cost of providing health care services is increasing. Even today GMHA has to struggle to maintain adequate staffing levels in specialty physicians, nurses, radiologists, respiratory technicians and other personnel. We need to ensure that GMHA remains viable and can meet the health care needs of the people of Guam.

I have also been provided with a draft of a “Substitute Bill 150” that includes provisions which would allow for the creation of a Guam Cancer Trust Fund, thus providing additional funding opportunities for community organizations to address the needs of cancer victims and their families through cancer support services. We fully support this. In Hawaii we have the Hawaii Community Foundation that utilizes tobacco monies to fund community nonprofit organizations which provide direct and indirect services in tobacco control and cancer services. ***These include: the Aloha Medical Mission, Coalition for a Tobacco-Free Hawaii, Hilo Medical Center, Kapiolani Medical Center for Women & Children, Hamakua Health Center, Kona Hospital Foundation, Waianae Coast Comprehensive Health Center, and the American Cancer Society.***

Finally, I would like to offer comment on having this bill go to referendum. As you all know the Senate has the authority to pass Bill 150 directly and skip the referendum process. Doing so would increase revenues immediately, thus make additional funds available sooner, while at the same time reducing Guam’s high smoking and tobacco use rates.

I would urge the committee members to strongly consider moving forward the “Substitute Bill 150” measure over that of Bill 150.

Thank you for giving me the opportunity to offer this written testimony in support here today.

Very truly yours,



George S. Massengale, J.D.  
Director of Government Relations



P.150

April 14, 2009

Honorable Frank B. Aguon, Jr.  
Ste. 701A, DNA Bldg.  
238 Archbishop Flores St.  
Hagåtña, Guam 96910

RE: Raising Tobacco Taxes

Dear Senator Aguon:

Hafa adai!

As physicians and health professionals who actively advocated for Guam's Natasha Act (Smoke-free Public Places Act) and Bill 101 (An act to amend 90105 of Chapter 90, Title 10, Guam Code Annotated; relative to smoking within 20 feet of a public place where smoking is prohibited), we are writing you once more to urge you to support a strong and scientifically sound bill to raise tobacco taxes on Guam and to earmark a portion of the revenues for cancer prevention and cancer care.

The data is indisputable – tobacco, in all of its forms, kills more people on Guam than any other risk factor for disease. And because Guam continues to have the highest rate of tobacco consumption among all US States and Territories, the price our community pays in terms of lost lives, ill health and the costs of chronic care for tobacco-related illness like cancer is too high.

The US Surgeon General, the World Health Organization and other credible scientific institutions have unequivocally called for tobacco tax increases as an effective way to quickly reduce tobacco consumption while increasing government revenues, which could be channeled to prevention and health care. The World Bank has demonstrated that every 10% increase in tobacco taxes translates into a 3-4% decline in tobacco use within a population. Raising taxes on tobacco is one of the fastest and most effective means to reduce smoking within a population, especially among 2 of the most vulnerable groups in a community---youth and the poor. This, raising tobacco taxes can be viewed as a strategy to protect youth and the poor from tobacco.

The global experience affirms that raising tobacco taxes does not lead to business closures. Instead, the World Bank has proven that raising tobacco taxes is an efficient way of raising government revenue while providing a health benefit to the population.

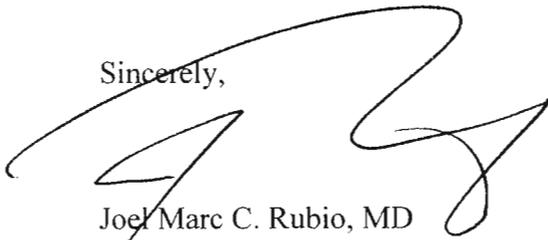
Suite 226 ITC Building, 590 S. Marine Corps Drive  
Tamuning, Guam 96931  
Tel. No. (671) 646-5227 or 5228  
Fax No. (671) 646-5226  
Website: <http://www.healthpartnersguam.com>

Earmarking a portion of the tax revenues to fund prevention and healthcare is a critical component, as this provides a sustainable source of local funding for health programs. **We understand that a substitute version of Bill 150 exists, which provides for the earmarking of half of the tobacco tax revenues for cancer prevention and cancer care. We strongly support and urge you to adopt this version of the bill.**

As a small business in the private sector, we take all proposed tax increases seriously. As business owners, we support the proposed tobacco tax increase. Taxing tobacco products is a fair way of raising money to fund cancer care, rather than an across the board raise in GRT. Legitimate businesses that do not promote a cancer-causing unhealthy product do not deserve to pay for cancer care. It is only just to obtain the revenue for cancer care from the industry that promotes the major preventable cause of cancer on our island.

Thus, passing the substituted version of Bill 150, consistent with the recommendations of WHO, the World Bank and the US Surgeon General, is a "win-win" scenario for Guam. We ask that this be done quickly, without the need for a referendum, because too many lives are on the line if the Legislature fails to act quickly.

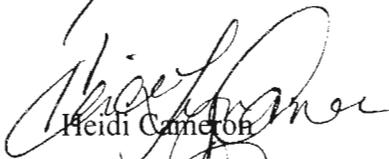
Sincerely,



Joel Marc C. Rubio, MD



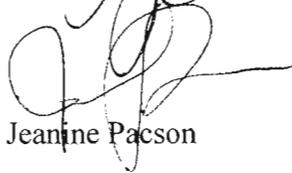
Annette M. David, MD, MPH



Heidi Cameron



Kelley Barnhart



Jeanine Pacson



Loyce Ibanez



Nora Minor



**GUAM CHAMBER OF COMMERCE**  
PARTNERS IN PROGRESS

October 28, 2009

SENATOR FRANK AGUON, JR.  
CHAIRMAN  
Committee on Economic Development,  
Health & Human Services and Judiciary  
155 Hesler Place  
Hagåtña, Guam 96910

*Ph. Paul S...*  
*Report*  
*10/30/09*  
**RECEIVED**  
*10-29-09*

**RE: BILL NO. 150-30: An act to amend section 26603 (a), (b), and (c) of Article 6, Chapter 26, Title 11 RELATIVE TO INCREASING THE TOBACCO TAX.**

Dear Chairman Aguon,

Thank you for the opportunity to submit comments on Bill No. 150, which seeks to increase the tobacco tax on Guam. On behalf of the local business community, the Chamber wishes to reiterate its position against increasing the tobacco tax. It is our belief that this legislation would promote a large-scale move by tobacco consumers to shop at military facilities for tobacco products, to the detriment of local businesses.

The Chamber is a big supporter of the U.S. Armed Forces. We recognize and are grateful for the sacrifices of the men and women in uniform who protect our liberty and freedom each day. However, it has always been the position of our organization to support our local economy and this bill will only act to aggravate an existing problem. A large percentage of Guam's population has access to U.S. Department of Defense retail facilities on Guam. It has been a long-standing battle for local businesses to keep and maintain purchasers who have access to military retail outlets that often sell products just under the price of local retail outlets. It our concern that others in the community that do not have access to DOD retail outlets will nevertheless be stimulated into requesting for friends, family members and acquaintances to purchase these items for them at the discounted rate.

The potential loss of income to Guam's locally owned businesses due to the increase in taxes translates to lower tax revenues for the Government of Guam and the possible loss of employment for Guam residents.

We urge you and your colleagues in the 30<sup>th</sup> Guam Legislature to join the Chamber and other organizations in educating our island youth and local community of the dangers in using tobacco products and other drugs that affect our people and their abilities to be good citizens, parents and employees. The Chamber has actively supported a six-week summer swim program since 1995, which emphasizes a drug free lifestyle in partnership with the Department of Mental Health and Substance Abuse and the Youth for Youth

Guam Chamber of Commerce  
Letter to Senator Aguon  
Re: Bill No. 150-30  
October 28, 2009  
Page Two

Organization. We are a partner with the Juvenile Drug Court since it was conceived in 2002 and offer the Chamber Life Skills Youth Program, which provides important life skills and learning opportunities about job skills, healthy life habits and being productive citizens. We encourage and support continued education so that everyone can make an informed choice about the dangers of tobacco use.

We ask that you and the Committee consider our comments and consider the implications of this legislation to our local businesses. Thank you.

Sincerely,



FRANK J. CAMPILLO  
Chairman of the Board

**11 GCA FINANCE & TAXATION  
CH. 26 BUSINESS PRIVILEGE TAX LAW**

**CHAPTER 26  
BUSINESS PRIVILEGE TAX LAW**

**NOTE:** Effective July 17, 2007, reference to Gross Receipts Tax (GRT), amended to Business Privilege Tax (BPT), pursuant to P.L. 29-002:VI:28 (May 18, 2007).

- Article 1. General Provisions.
- Article 2. Business Privilege Taxes.
- Article 3. Alcoholic Beverage Tax.
- Article 4. Liquid Fuel Tax.
- Article 5. Automotive Surcharges.
- Article 6. Tobacco Tax.

**ARTICLE 1  
GENERAL PROVISIONS**

- § 26101. Definitions.
- § 26102. Administration.
- § 26103. Tax Debt: Lien.
- § 26104. Collection.
- § 26105. Informal Hearing.
- § 26106. Adjustments.
- § 26107. Review.
- § 26107.1 Stay of Collection.
- § 26108. Suit for Refund.
- § 26109. Restrictions of Remedies.
- § 26110. Returns.
- § 26110.1. Deposit of Business Privilege Taxes
- § 26111. Penalties.
- § 26112. Interest.
- § 26113. Criminal Offenses.
- § 26114. Punishment.
- § 26115. Unfair Competition.
- § 26116. Penalties Separate.
- § 26117. Tax Exemption.
- § 26118. Examination of Books and Witnesses.
- § 26119. Exchange of Tax Information.
- § 26120. Inspection of Tax Returns and Information: Prohibition.

**§ 26101. Definitions.**

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**CH. 26 BUSINESS PRIVILEGE TAX LAW**

(c) Bonding. Any taxpayer holding an Annual Wholesaler License pursuant to Title 11 G.C.A. § 6201 and against whom taxes are levied under this Article with respect to tobacco products may, by complying with the rules and regulations promulgated by the Tax Commissioner, and by placing such tobacco products in a warehouse under bond, delay the payment of said taxes until the due date of the monthly tax return for the month in which the tobacco products are withdrawn from the warehouse and no interest shall commence to run thereon until such due date.

(1) Relief from tax upon export. When the taxes levied under this Article have not been paid with respect to any tobacco products because said tobacco products were placed in a warehouse under bond, the taxpayer may export such tobacco products from Guam without payment of the taxes levied under this Article and, subject to the conditions set forth in §§ 26604(a), 26604(b) and 26605(d), be relieved of liability therefor upon submission of a claim for relief to the Tax Commissioner not later than the twentieth (20<sup>th</sup>) day of the month following the month in which the tobacco products are withdrawn from the warehouse.

**SOURCE:** GC § 19593, Subsection (a)(3) added by P.L. 10-182. Subsection (c) amended by P.L. 28-170:2 (Jan. 29, 2007).

**§ 26602. Levy.**

There is hereby levied, and shall be assessed and collected, upon every business engaged in the manufacture or production in Guam, or importation into Guam, of any tobacco products, in addition to all other applicable taxes, an excise tax to be measured by the application of the following rates against the tobacco products so manufactured, produced or brought into Guam as herein provided. Such excise tax shall also be levied upon, assessed and collected from every business purchasing tobacco products in Guam for resale if no tax had been paid upon said tobacco products as herein provided.

**SOURCE:** GC § 19590, as added by P.L. 10-182.

**§ 26603. Rates.**

The following rates shall apply in computing, assessing and collecting Tobacco Tax:

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(a) Cigarettes. A tax at the rate of Five Dollars (\$5.00) per one hundred (100) cigarettes to be prorated in accordance with the number of cigarettes contained in the individual package taxed.

(b) Cigars. The tax rates for cigars shall be based on the following sizes:

1. Mini Cigars: Twenty Cents (\$0.20) Per Cigar. Mini Cigars are defined as cigars with a ring size of forty (40) or less, or a length of less than four and one-half inches (4.5"), regardless of ring size as specified by the manufacturer's label.

2. Standard Cigars: Twenty-Two Cents (\$0.22) Per Cigar. Standard Cigars are defined as cigars with a ring size of more than forty (40), but less than sixty-four (64) as specified by the manufacturer's label.

3. Large Cigars: Twenty-Five Cents (\$0.25) Per Cigar. Large Cigars are defined as cigars with a ring size of more than sixty-four (64), or a length of more than eight inches (8"), regardless of the ring size as specified by the manufacturer's label.

4. Where no ring size or length is specified by the manufacturer's label, the tax shall be Twenty-Two Cents (\$0.22) per cigar. For purposes of this Section, ring size shall be defined as the usually accepted measure used by cigar manufacturers for determining the diameter of cigar at its widest point. A ring size of one (1) is equal to one sixty-fourth (1/64) of an inch.

(c) Other Tobacco Products. A tax at the rate of Three Dollars and Fifty Cents (\$3.50) per pound for all other tobacco products to be prorated in accordance with the size of the package to be taxed.

(d) Creation of the Healthy Futures Fund. There is hereby created the Healthy Futures Fund (Fund) which shall be maintained separate and apart from other funds of the government of Guam and shall be kept in a separate bank account and shall *not* be subject to any transfer authority of *I Maga'lahaen Guåhan*. All proceeds from taxes collected under this Section shall be deposited into the Fund and shall not be commingled with the General Fund. The Fund is subject to *I Liheslaturan Guåhan*'s appropriation for the following

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CH. 26 BUSINESS PRIVILEGE TAX LAW

purposes:

(1) health, education, public safety and social programs providing awareness on tobacco and alcohol and substance abuse prevention, cessation, treatment and control; programs and activities for improving overall health and well-being; and, programs that enforce alcohol regulations;

(2) public safety and social programs that enforce alcohol and substance abuse regulations, reduce underage drinking, support traffic safety, reduce drug-related violence and abuse;

(3) community-based drug and substance abuse prevention programs; and

(4) matters pertinent to the items, supra, as deemed appropriate by *I Liheslaturan Guåhan*.

Preference shall be given to programs directed towards youth, low-income or at-risk persons and families, drug, alcohol, tobacco and substance prevention, cessation, and treatment, preventative health care, and chronic disease management.

The Director of Administration shall report on a quarterly basis to the Speaker of *I Liheslaturan Guåhan* the revenues collected and expended from this Fund and shall post such report on the Department's website.

**SOURCE:** GC § 19591, as amended by P.L. 17-4. Amended by P.L. 25-104:2. Repealed/reenacted by P.L. 27-05:V:2. Subsection (d) amended by P.L. 27-29:VI:17. Subsection (d) repealed and reenacted by P.L. 28-068:IV:25 (Sept. 30, 2005).

**§ 26604. Export Drawback.**

There shall be allowed to any applicant therefor an export drawback of the full amount of a tax paid under this Article, exclusive of penalties and interest, upon fulfillment of the following conditions:

(a) That the tobacco manufactured or produced in Guam or brought into Guam, has been consigned, and duly delivered to a point outside the territory of Guam, or delivered on board a ship or vessel for ship store use or ship's consumption;

(b) That the tobacco so exported or so delivered for ship store use or ship's consumption, was not subject to any sale within Guam

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**CH. 26 BUSINESS PRIVILEGE TAX LAW**

other than a transfer involving substantially all the stock in trade, good will and franchise or other rights concerning the tobacco upon which the tax was paid;

(c) That the taxes levied hereunder have been fully paid to the government of Guam; and

(d) That the applicant is a duly licensed manufacturer, producer, wholesaler or retailer in Guam.

**SOURCE:** GC § 19592.

**§ 26605. Military Sales Drawback.**

There shall be allowed to any applicant therefor a drawback of the full amount of tax paid under this Article upon a satisfactory showing, within the rules and regulations promulgated by the Tax Commissioner, that:

(a) The tobacco manufactured or produced in Guam, or brought in the territory of Guam, has been sold, consigned, and duly delivered to, an authorized purchaser for any United States military establishment in Guam;

(b) The tobacco sold, consigned and delivered to such military establishment was not the subject of any prior sales transaction in Guam other than a transfer of substantially the entire stock in trade, good will and franchise or other rights concerning the tobacco upon which the tax has been paid;

(c) The taxes levied under this Article have been fully paid to the government of Guam; and

(d) The applicant applying for the drawback is a duly licensed wholesaler or retailer, in Guam.

**SOURCE:** GC § 19592.1.

**§ 26606. Departing Passengers Drawback.**

In addition to any other drawback provided for under this Article, a drawback shall also be allowed to any applicant for the full amount of the tax paid under this Article upon a satisfactory showing, within the rules and regulations promulgated by the Tax Commissioner, that the tobacco and tobacco products upon which the tax has been paid have been sold to persons licensed as concessionaires at Guam International

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Air Terminal or the Commercial Port under § 25126 of the Government Code and that those persons have resold such tobacco or tobacco products to persons departing Guam.

SOURCE: GC § 19592.2, added by P.L. 14-106, R/R by P.L. 14-107.

**§ 26607. Spoilage Drawback.**

There shall be allowed a spoilage drawback of the full amount of the tax paid under this Article, exclusive of any penalties or interest, upon a satisfactory showing, under the rules and regulations promulgated by the Tax Commissioner, that:

(a) The tobacco products manufactured or produced in Guam, or imported into Guam, have become incapable of use as such for human consumption due to spoilage, and have been destroyed under the supervision of the Tax Commissioner or his representative;

(b) The tobacco products were not the subject of any prior sales transaction in Guam other than a transfer involving substantially the entire stock in trade, good will and franchise or other rights concerning the tobacco products with respect to which the tax was paid.

(c) The applicant is a duly licensed manufacturer, producer, or wholesaler or retailer in Guam and is either the taxpayer or a transferee from or through the taxpayer of substantially the entire stock in trade, good will and franchise or other rights concerning the tobacco products with respect to which the tax was paid;

(d) The applicant is not indemnified by insurance or otherwise in respect of the tax.

SOURCE: GC § 19595.

**§ 26608. Spoilage Relief.**

Where tobacco products which have been placed in a bonded warehouse without payment of the taxes levied under this Article, upon a satisfactory showing, under the rules and regulations promulgated by the Tax Commissioner, that such tobacco products have been incapable of use as such for human consumption due to spoilage and have been destroyed under the supervision of the Tax Commissioner or his representative, and that the taxpayer is not indemnified by insurance or otherwise in respect of the tax, the taxpayer manufacturing, producing or

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**CH. 26 BUSINESS PRIVILEGE TAX LAW**

importing such tobacco products may be relieved of his tax liability with regard to such tobacco products upon submission of a claim for relief to the Tax Commissioner not later than the twentieth (20th) day of the month following the month in which such tobacco products have been destroyed under the supervision of the Tax Commissioner or his representative.

**SOURCE:** GC § 19596.

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**COMMITTEE ON ECONOMIC DEVELOPMENT,  
HEALTH AND HUMAN SERVICES, AND JUDICIARY**  
*I Mina'Trenta Na Liheslaturan Guahan • 30th Guam Legislature*  
238 Archbishop F.C. Flores St., DNA Bldg., Suite 701A, Hagatña, Guam 96910  
Tel: (671) 969-1495/6 • Fax: (671) 969-1497 • Email: aguon4guam@gmail.com

**FRANK B. AGUON, JR.**  
SENATOR, CHAIRMAN

July 20, 2009

**ADOLPHO B. PALACIOS, SR.**  
SENATOR, VICE CHAIRMAN

**MEMORANDUM**

**JUDITH T. WON PAT**  
SPEAKER  
EX-OFFICIO MEMBER

**TO: Honorable Senators/Committee Members**  
*Committee on Economic Development,  
Health & Human Services, and Judiciary*

**BENJAMIN J.F. CRUZ**  
VICE SPEAKER

**FROM: SENATOR FRANK B. AGUON, JR.**  
*Chairman*

**TINA ROSE MUÑA BARNES**  
LEGISLATIVE SECRETARY

**SUBJECT: First Notice – Notice of Public Hearing**  
**Tuesday, July 28, 2009 – 1:00 pm**

**THOMAS C. ADA**  
SENATOR

**JUDITH P. GUTHERTZ**  
SENATOR

*Buenas yan Hafa Adai!*

**RORY J. RESPICIO**  
SENATOR

Please be advised that the Committee on Economic Development, Health & Human Services, and Judiciary will be conducting a public hearing on **Tuesday, July 28, 2009**, beginning at 1:00 pm in the Guam Legislature Public Hearing Room.

**FRANK F. BLAS, JR.**  
SENATOR

Please find attached agenda for this public hearing. Should you have any questions, please call my office.

**TELO TAJTAGUE**  
SENATOR

**RAY TENORIO**  
SENATOR

*Un dangkulo' na Si Yu'us Ma'ase'.*

Attachment (1)

Cc: Sergeant-at-Arms/Protocol/AV  
Stephanie Mendiola, COR  
Clerk of the Legislature  
MIS

from Frances Lizama <lizama.frances@gmail.com>  
to "SEN. ADA, Thomas C." <tom@senatorada.org>,  
"SEN. BLAS, Frank F., Jr." <frank.blasjr@gmail.com>,  
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cc "BLAS, Roland" <roland@judiwonpat.com>,  
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Therese Terlaje <fterlaje@guam.net>,  
"UNPINGCO, Joy - Sen. Calvo's Ofc." <joyunpingco@gmail.com>,  
"WYTTENBACH-SANTOS, Richard - Sen. Guthertz Ofc." <doc.wyittenbachsantos@gmail.com>,  
"WHEELER, Mary Lou" <mlwheeler2000@yahoo.com>,  
"PAK, Yong - MIS" <yong@guamlegislature.org>  
date Mon, Jul 20, 2009 at 6:32 PM  
subject 1st Notice - Public Hearing 07.28.2009 1pm  
mailed-by gmail.com

TO ALL:

Please find attached memo from Senator Frank B. Aguon, Jr. reference to public hearing scheduled for Tuesday, July 28, 2009 at 1:00 pm.

FRANCES S. LIZAMA  
- Show quoted text -

 2009.07.28 - PH - 1st Notice - B.136 - B.185.pdf

Frances Lizama TO ALL. Please find attached memo from Senator Frank B. Aguon, Jr. reference ...

[hide details](#) Jul 20

[Reply](#)

from Frances Lizama <lizama.frances@gmail.com>  
 to "SEN. ADA, Thomas C." <tom@senatorada.org>,  
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 "TORRES, Frank B. - Spkr Won Pat's Ofc." <fbtorres@judiwonpat.com>,  
 Therese Terlaje <fterlaje@guam.net>,  
 "UNPINGCO, Joy - Sen. Calvo's Ofc." <joyunpingco@gmail.com>,  
 "WYTTENBACH-SANTOS, Richard - Sen. Guthertz Ofc." <doc.wyittenbachsantos@gmail.com>,  
 "WHEELER, Mary Lou" <mlwheeler2000@yahoo.com>,  
 "PAK, Yong - MIS" <yong@guamlegislature.org>

date Mon, Jul 20, 2009 at 7:01 PM

subject Re: 1st Notice - Public Hearing 07.28.2009 1pm

mailed-by gmail.com

TO ALL:

I apologize for the inconvenience. Please replace agenda received along with the First Notice of Public Hearing with the attached agenda marked "CORRECTED COPY" on the footer.

Please note the only change made to the agenda was the subject title of Bill No. 30-185 (COR) which is the last bill listed.

Again, my apologies for the inconvenience.

- Show quoted text -

 AGENDA - 2009.07.28 - B.136 ~ 186 - CORRECTED COPY.pdf



**COMMITTEE ON ECONOMIC DEVELOPMENT,  
HEALTH AND HUMAN SERVICES, AND JUDICIARY**  
*I Mina'Trenta Na Liheslaturan Guåhan* • 30th Guam Legislature  
238 Archbishop F.C. Flores St., DNA Bldg., Suite 701A, Hagatña, Guam 96910  
Tel: (671) 969-1495/6 • Fax: (671) 969-1497 • Email: aguon4guam@gmail.com

July 20, 2009

**FRANK B. AGUON, JR.**  
SENATOR, CHAIRMAN

**ADOLPHO B. PALACIOS, SR.**  
SENATOR, VICE CHAIRMAN

**JUDITH T. WON PAT**  
SPEAKER  
EX-OFFICIO MEMBER

**BENJAMIN J.F. CRUZ**  
VICE SPEAKER

**TINA ROSE MUÑA BARNES**  
LEGISLATIVE SECRETARY

**THOMAS C. ADA**  
SENATOR

**JUDITH P. GUTHERTZ**  
SENATOR

**RORY J. RESPICIO**  
SENATOR

**FRANK F. BLAS, JR.**  
SENATOR

**TELO TAITAGUE**  
SENATOR

**RAY TENORIO**  
SENATOR

**MEMORANDUM**

**TO: MEDIA**  
Pacific Daily News – 477-3079      KUAM – 637-9870  
Pacific News Center – 477-0793      K-57/Power 98 – 477-3982  
Hit Radio 100 – 472-7663      K-Stereo/KISH – 477-6411  
I-94 – 637-9865      Glimpses – 649-8883  
Adventist Radio – 565-2983      Joy 92 FM – 477-4678  
KPRG – 734-2958  
Guam Broadcast Services – 648-0104

**FROM: SENATOR FRANK B. AGUON, JR.**  
*Chairman*

**SUBJECT: First Notice – Notice of Public Hearing**  
Tuesday, July 28, 2009 – 1:00 pm

*Buenas yan Hafa Adai!*

Please be advised that the Committee on Economic Development, Health & Human Services, and Judiciary will be conducting a public hearing on Tuesday, July 28, 2009, beginning at 1:00 pm in the Guam Legislature Public Hearing Room.

Please find attached agenda for this public hearing. Should you have any questions, please call my office.

*Un dangkulo' na Si Yu'us Ma'ase'.*

Attachment (1)

**1st Notice - Public Hearing - Tuesday, July 28, 2009 1:00 pm** NOTICES - MEDIA X

from **Frances Lizama** <lizama.frances@gmail.com>  
to "GLIMPSES - PALACIOS, Ivan" <reporter1@glimpsesofguam.com>,  
"K57 / POWER 98 - GIBSON, Ray" <rgibson@k57.com>,  
"KSTO/KISH - PEREZ, Alicia" <kstone@ite.net>,  
"KUAM - MATANANE, Sabrina" <sabrina@kuam.com>,  
"MARIANAS VARIETY - WOLFORD, Shawn" <advertise@mvguam.com>,  
"MELYN, Catriona - PDN" <cmelyan@guampdn.com>,  
"PDN - DALENO, Gaynor" <gdumat-ol@guampdn.com>,  
"PNC - DELGADO, Nick" <news@spbguam.com>,  
"PNC - SEBASTIAN, Stephen" <ssebastian@spbguam.com>  
date Mon, Jul 20, 2009 at 7:04 PM  
subject 1st Notice - Public Hearing - Tuesday, July 28, 2009 1:00 pm  
mailed-by gmail.com

[hide details](#) Jul 20

[Reply](#)

**TO ALL:**

Please find attached memo from Sen. Aguon referene to scheduled public hearing for Tuesday, July 28, 2009 at 1pm Legislature's Public Hearing Room.

I apologize if you did not receive the notice via fax due to some difficulties we are experiencing with our telephone and fax lines. Thank you

Show quoted text

 2009.07.28 - PH - 1st Notice.pdf

# Burglary cases in Susupe, Chalan Kanoa now alarming

By Junhan B. Todeno  
junhan.todeno@mvariety.com  
Variety News Staff

MARIANAS Variety: July 21, 2009

SAIPAN - Alarmed over a series of burglary cases in Susupe, residents have grouped themselves to stop the incident from recurring and to protect their neighborhood.

Eric Atalig, newly elected block captain of Susupe Village Neighborhood Watch Task Force, held a meeting on Tuesday at the village's social hall to intensify their campaign against criminality.

Susupe and Chalan Kanoa have the highest crime rate in Saipan this second quarter, Atalig told the Variety.

He said that since April this year, 10 cases of burglaries and thefts have been recorded.

"No suspects have been arrested yet," he said, although the police were able to establish the pattern of the robbery period. "We believe they are only in one group."

Police Sgt. Vicente H. Sablan, Neighborhood Watch Task Force chair, attributed the rise of criminality in Susupe and Chalan Kanoa to the "downfall of the economy which has caused some people to be desperate."

Sablan said police visibility is



important but due to the limited manpower of the Department of Public Safety, they have to assign police officers to strategic places.

However, he said, the strengthening of the Neighborhood Watch Task Force can help alleviate the burden of the police in the enforcement of law.

"We will always coordinate in bringing in volunteers, former police officers, Boy Scouts and ROTC to come," Sablan said.

Atalig said they recently conducted a survey among residents and "some felt they are no longer safe in their house."

Most crimes happened on residential houses along the

Beach Road areas in Susupe and Chalan Kanoa, he added.

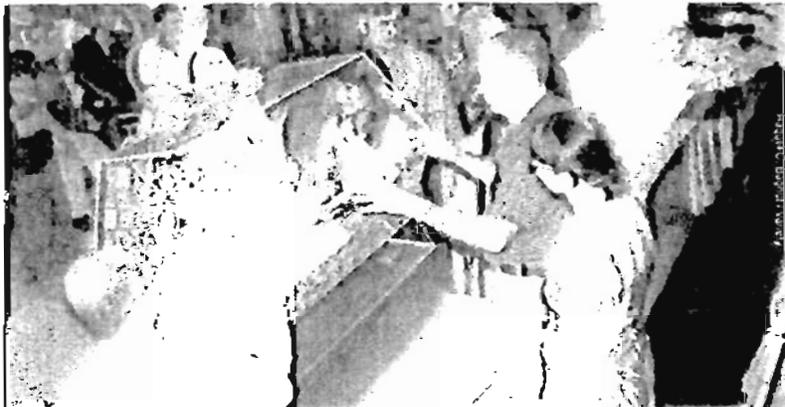
"We must get the community involvement," he said, as he pointed out the vandalism and graffiti that desecrated the walls of the social hall where they conducted the meeting.

Saipan Municipal Council Vice chair Ramon B. Camacho, one of the prime movers of

the task force that was created in 2007, said the neighborhood watch program should be applied with the revitalization undertakings in the villages.

"We need to have good neighbors. Cooperation and friendship are very important to maintain the peace and order situation in our area," he told residents.

# Saipan Rotary Club's Las Vegas Night fundraiser a big success



Officers of the Rotary Club of Saipan pick out winning entries during the Las Vegas Night fundraiser at the Fiesta Resort & Spa on Saturday.

By Raquel C. Bagnol  
raquel.bagnol@mvariety.com  
Variety News Staff

SAIPAN - Despite the worsening economic situation in the CNMI, hundreds of people turned up for the Las Vegas Night event to support Saipan Rotary Club's biggest fundraiser of the year at the Fiesta Resort & Spa on Saturday night.

At the stroke of midnight, all eyes were turned to the Rotary Club officers who were drawing the lucky entries from the tambolo. This year's grand prize winner who gets

to choose between a brand new Toyota car or \$10,000 is Gilbert Aldan, holder of ticket number 6610.

Ticket number 0768 holder Naomi Boyer won \$3,000 for the first prize. Rose Mesina, holder of ticket number 0498 went home \$2,000 richer for winning the second prize. Third prize winner was ticket number 6592 holder, Rick of CTSI. Holders of ticket numbers 4930 and 0367 won \$500 each for fourth and fifth prizes.

Ticket number 2651 holder

Nolia Muellersman won a round trip ticket to Japan while ticket number 3967 won holder Jenny Tan won a round trip ticket to Manila.

Numerous guests also went home with attractive door prizes from event sponsors including hotel and restaurant accommodations, pool passes, spa and massage certificates, gift certificates and lots of other items.

Guests also had a chance to try their luck at the different games of chance like Kina (in lieu of Bingo), Black Jack,

Roulette, Craps and Texas Hold 'Em. Poker Rotary Club president Ken Forrester said the turnout was good, but they have yet to determine how many of the tickets were sold.



SENATOR FRANK B. AGUIN, JR., Chairman  
COMMITTEE ON ECONOMIC DEVELOPMENT,  
HEALTH & HUMAN SERVICES, AND JUDICIARY  
238 Archbishop F.C. Flores St. DMA Bldg., Ste. 701A, Hagåtña, Guam 96910  
Tel: (671) 969-1495 Fax: (671) 969-1497 Email: aguin@gmail.com

## NOTICE OF PUBLIC HEARING - TUESDAY, JULY 28, 2009, 1:00 pm GUAM LEGISLATURE PUBLIC HEARING ROOM

- 1:00 PM
- BILL NO. 136 (COR) - Relative to adding a new Item (8) to Subsection (E) of § 8103 of Ch. 2, Title 25, Guam Administrative Rules and Regulations of the Guam Board of Examiners of Dietitians
  - BILL NO. 140 (COR) - Relative to consideration of Victims Impact Statements at sentencing
  - BILL NO. 144 (COR) - Relative to reallocation of funding proceeds from the 2009 Solid Waste Management System Bond Fund, subject to approval of the GovGuam financing lead, applications with USDA.
  - BILL NO. 148 (COR) - Relative to DNA profiling
  - BILL NO. 150 (COR) - Relative to increasing the tobacco tax
  - BILL NO. 153 (COR) - Relative to the validity of marriage
  - BILL NO. 159 (COR) - Relative to prohibition of importing ingestible tobacco film strips, ingestible tobacco sticks, tobacco hard candies, nicotine lollipop, nicotine lip balm, and nicotine water.
  - BILL NO. 161 (COR) - Relative to the Barbering and Cosmetology Act of 2000
  - BILL NO. 168-167 (LS) - Relative to the arbitrary adjustment of monetary fines
  - BILL NO. 169 (LS) - An act to include law enforcement personnel, employee and positions from the application of the provision of "Safe Harbor" under GovGuam's Drug-Free Workplace Program by adding a new §75107(a), Ch. 25 10GCA, and to include other law enforcement personnel under the term "definition"
  - BILL NO. 145 (COR) - Amended to amend §51821 An 8, Ch. 51, 10GCA relative to bond proceeds to include the repair and/or renovation of GMH Emergency Room and Hospital Expansion construction of the Southern Regional Health Center, various Government educational and medical facilities and for other purposes.
  - BILL NO. 147 (COR) - Relative to activities of incorporation within the GEDA
  - BILL NO. 30 185 (COR) - Relative to authorizing GWA to incur short term indebtedness subordinate to its bonds, to approve terms and conditions of issuance, and to amend Section 4 of PL 28-71 relative to increasing maximum authorized interest rate on certain revenue bonds to be issued by GWA

5:00 PM  
BILL NO. 3028 (COR) - An act to add a new Ch. 16 19GCA relative to domestic partnerships

If written testimonies are to be presented at hearing the Committee requests that copies of written testimonies be submitted one day prior to hearing date to the Office of Senator Frank B. Aguin, Jr., 238 Archbishop F.C. Flores St., DMA Bldg., Ste. 701A, Hagåtña, GU 96910 or emailed to aguin@gmail.com. Individuals requiring special accommodations/services or for further information please contact Gina Tebanone or Cathy Palacios at 969-1495.

THIS AD WAS PAID FOR BY GOVERNMENT FUNDS

**Public Hearing Agenda - CORRECTED COPY** NOTICES - MEDIA X

[hide details](#) Jul 22

[Reply](#)

from **Frances Lizama** <lizama.frances@gmail.com>  
to "GLIMPSES - PALACIOS, Ivan" <reporter1@glimpsesofofguam.com>,  
"K57 / POWER 98 - GIBSON, Ray" <rgibson@k57.com>,  
"KSTO/KISH - PEREZ, Alicia" <kstonews@ite.net>,  
"KUAM - MATANANE, Sabrina" <sabrina@kuam.com>,  
"MELYAN, Catriona - PDN" <cmelyan@guampdn.com>,  
"PDN - DALENO, Gaynor" <gdumat-ol@guampdn.com>,  
"PNC - DELGADO, Nick" <news@spbguam.com>,  
"PNC - SEBASTIAN, Stephen" <ssebastian@spbguam.com>  
date Wed, Jul 22, 2009 at 2:24 PM  
subject Public Hearing Agenda - CORRECTED COPY  
mailed-by gmail.com

**TO ALL:**

There is a correction to the agenda that was sent out via email on Monday, July 20th along with the First Notice of Public Hearing. The "CORRECTED COPY" is attached. **The only correction made to the agenda is the subject title of Bill No. 30-185.**

Please disregard previously sent agenda. I apologize for the inconvenience.

--

FRANCES S. LIZAMA

Show quoted text

 2009.07.28 - B.136 ~ 185 - CORRECTED COPY.pdf



**COMMITTEE ON ECONOMIC DEVELOPMENT,  
HEALTH AND HUMAN SERVICES, AND JUDICIARY**  
*I Mina'Trenta Na Liheslaturan Guåhan* • 30th Guam Legislature  
238 Archbishop F.C. Flores St., DNA Bldg., Suite 701A, Hagatña, Guam 96910  
Tel: (671) 969-1495/6 • Fax: (671) 969-1497 • Email: aguon4guam@gmail.com

July 23, 2009

**FRANK B. AGUON, JR.**  
SENATOR, CHAIRMAN

**ADOLPHO B. PALACIOS, SR.**  
SENATOR, VICE CHAIRMAN

**JUDITH T. WON PAT**  
SPEAKER  
EX-OFFICIO MEMBER

**BENJAMIN J.F. CRUZ**  
VICE SPEAKER

**TINA ROSE MUÑA BARNES**  
LEGISLATIVE SECRETARY

**THOMAS C. ADA**  
SENATOR

**JUDITH P. GUTHERTZ**  
SENATOR

**RORY J. RESPICIO**  
SENATOR

**FRANK F. BLAS, JR.**  
SENATOR

**TELO TAITAGUE**  
SENATOR

**RAY TENORIO**  
SENATOR

**MEMORANDUM**

**TO:** Honorable Senators/Committee Members  
*Committee on Economic Development,  
Health & Human Services, and Judiciary*

**FROM:** SENATOR ADOLPHO B. PALACIOS, SR.  
*Acting Chairman* 

**SUBJECT:** Second Notice – Notice of Public Hearing  
Tuesday, July 28, 2009 – 1:00 pm

*Buenas yan Hafa Adai!*

Please be advised that the Committee on Economic Development, Health & Human Services, and Judiciary will be conducting a public hearing on **Tuesday, July 28, 2009**, beginning at 1:00 pm in the Guam Legislature's Public Hearing Room.

Public hearing on Bill No. 158 (COR) will be postponed at the request of the sponsor, Senator Frank F. Blas, Jr., who will be off-island along with the co-sponsor during this public hearing.

Please find attached amended agenda for this public hearing. Should you have any questions, please call Frances Lizama at Senator Aguon's office.

*Un dangkulo' na Si Yu'us Ma'ase'.*

Attachment (1)

Cc: Sergeant-at-Arms/Protocol/AV  
Stephanie Mendiola, COR  
Clerk of the Legislature  
MIS

from Frances Lizama <lizama.frances@gmail.com>  
 to "SEN. ADA, Thomas C." <tom@senatorada.org>,  
 "SEN. BLAS, Frank F., Jr." <frank.blasjr@gmail.com>,  
 "SEN. CALVO, Eddie J.B." <senecalvo@gmail.com>,  
 "SEN. CRUZ, Benjamin J.F." <senadotbjcruz@aol.com>,  
 "SEN. ESPALDON, James V." <senator@espaldon.com>,  
 "SEN. ESPALDON, James V." <senjim@ite.net>,  
 "SEN. GUTHERTZ, Judith P." <judiguthertz@pticom.com>,  
 "SEN. MUNA BARNES, Tina Rose" <tinamunabarnes@gmail.com>,  
 "SEN. PALACIOS, Adolpho B., Sr." <abpalacios@gmail.com>,  
 "SEN. PANGELINAN, ben" <senbenp@guam.net>,  
 "SEN. RECTOR, Matt" < matt@mattrector.com>,  
 "MENDIOLA, Stephanie - Sen. Respicio's Ofc." <sem@guamlegislature.org>,  
 "SEN. TAITAGUE, Telo" <senatelo@gmail.com>,  
 "SEN. TENORIO, Ray" <ray@raytenorio.com>,  
 "SPKR. WON PAT, Judi" <speaker@judiwonpat.com>  
 cc "BLAS, Roland" <roland@judiwonpat.com>,  
 "BORJA, Dominic" <dominic@senatorada.org>,  
 "BURGOS, Fred" <fred@mattrector.com>,  
 "CIPOLLONE, Lisa" <cipo@guamlegislature.org>,  
 "CIPOLLONE, Lisa" <cipo@guam.net>,  
 "CASTRO, James P." <jamespcastro@gmail.com>,  
 "CEPEDA, Patrick" <patrickcepeda@hotmail.com>,  
 "CRUZ, Dorothy" <dot@guamlegislature.org>,  
 "DUARTE, Mark" <mark@judiwonpat.com>,  
 "DUENAS, Mona" <mona.duenas@gmail.com>,  
 "DeCASTRO, Chris" <cdecastro@guamlegislature.org>,  
 delta9marlo@gmail.com,  
 "DEFENSOR, Sahara" <sahara@judiwonpat.com>,  
 "DIAZ, Jonathan" <jonbdiaz@gmail.com>,  
 elg@guamlegislature.org,  
 "EVARISTO, Jessica - Sen. Tenorio's Ofc." <jessica@raytenorio.com>,  
 "FEJERAN, Mary - Sen. Blas' Ofc." <maryfejeran@gmail.com>,  
 "HILLS, Derick - Sen. Pangelinan's Ofc." <derickhills@live.com>,  
 "KOMIYAMA, Velma - Sen. Barnes' Ofc." <vel.komiyama@yahoo.com>,  
 "LG, Joe - Sgt-at-Arms" <sgtarms@guamlegislature.org>,  
 "LIDIA, Mike - Sen. Cruz ofc." <mike.lidia9@gmail.com>,  
 "LG, Phillip - Sen. Tenorio's Ofc." <phill@raytenorio.com>,  
 "MANIBUSAN, Lauriel - Sen. Espaldon's Ofc." <laurielista@gmail.com>,  
 "QUITUGUA, Tony" <tq@guamlegislature.org>,  
 "QUINATA, Carl - Sen. Taitague's Ofc." <ciquinata@gmail.com>,  
 "ROBERTO, Phil - Sen. Espaldon's Ofc." <roberto.phil@gmail.com>,  
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 teddytaz@ite.net,  
 teddytaz\_222@yahoo.com,  
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 "WHEELER, Mary Lou" <mlwheeler2000@yahoo.com>,  
 "PAK, Yong - MIS" <yong@guamlegislature.org>  
 date Thu, Jul 23, 2009 at 4:23 PM  
 subject 2nd Notice - Notice of Public Hearing  
 mailed-by gmail.com

## TO ALL:

Please find attached memo from Sen. Palacios, Acting Chairman, reference to scheduled public hearing.  
 Thank You.

FRANCES S. LIZAMA  
 Office of Senator Frank B. Aguon, Jr.  
 30th Guam Legislature  
 Committee on Economic Development,  
 Health & Human Services, and Judiciary  
 238 Archbishop F. C. Flores St.  
 DNA Bldg (old PDN), Suite 701A  
 Hagatna, Guam 96910  
 Tel: 671 969.1495/6  
 Fax: 671 969.1497

 PH - 2009.07.28 - 2nd Notice.pdf



**COMMITTEE ON ECONOMIC DEVELOPMENT,  
HEALTH AND HUMAN SERVICES, AND JUDICIARY**

*I Mina'Trenta na Liheslaturan Guåhan* • 30th Guam Legislature

238 Archbishop F.C. Flores St., DNA Bldg., Suite 701A, Hagatña, Guam 96910

Tel: (671) 969-1495/6 • Fax: (671) 969-1497 • Email: aguon4guam@gmail.com

July 23, 2009

**FRANK B. AGUON, JR.**  
SENATOR, CHAIRMAN

**ADOLPHO B. PALACIOS, SR.**  
SENATOR, VICE CHAIRMAN

**JUDITH T. WON PAT**  
SPEAKER  
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SENATOR

**FRANK F. BLAS, JR.**  
SENATOR

**TELO TAITAGUE**  
SENATOR

**RAY TENORIO**  
SENATOR

**MEMORANDUM**

**TO: MEDIA**

Pacific Daily News – 477-3079      KUAM – 637-9870  
Pacific News Center – 477-0793      K-57/Power 98 – 477-3982  
Hit Radio 100 – 472-7663      K-Stereo/KISH – 477-6411  
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Adventist Radio – 565-2983      Joy 92 FM – 477-4678  
KPRG - 734-2958  
Guam Broadcast Services – 648-0104

**FROM: SENATOR ADOLPHO B. PALACIOS, SR.**  
*Acting Chairman*

**SUBJECT: Second Notice – Notice of Public Hearing**  
*Tuesday, July 28, 2009 – 1:00 pm*

*Buenas yan Hafa Adai!*

Please be advised that the Committee on Economic Development, Health & Human Services, and Judiciary will be conducting a public hearing on **Tuesday, July 28, 2009**, beginning at 1:00 pm in the Guam Legislature's Public Hearing Room.

Public hearing on Bill No. 158 (COR) will be postponed at the request of the sponsor, Senator Frank F. Blas, Jr. who will be off-island along with the co-sponsor during this hearing.

Please see attached amended agenda for this public hearing. If you have any questions, please call Frances Lizama at Senator Aguon's office.

*Un Dangkulo' Na Si Yu'us Ma'ase'.*

Attachment (1)

**2nd Notice - Notice of Public Hearing** NOTICES - MEDIA X

from Frances Lizama <lizama frances@gmail.com>  
to "GLIMPSES - PALACIOS, Ivan" <reporter1@glimpsesofofguam.com>,  
"K57 / POWER 98 - GIBSON, Ray" <rgibson@k57.com>,  
"KSTO/KISH - PEREZ, Alicia" <kstone news@ite.net>,  
"KUAM - MATANANE, Sabrina" <sabrina@kuam.com>,  
"MARIANAS VARIETY - WOLFORD, Shawn" <advertise@mvguam.com>,  
"MELYAN, Catriona - PDN" <cmelyan@guampdn.com>,  
"PDN - DALENO, Gaynor" <gdumat-ol@guampdn.com>,  
"PNC - DELGADO, Nick" <news@spbguam.com>,  
"PNC - SEBASTIAN, Stephen" <ssebastian@spbguam.com>  
date Thu, Jul 23, 2009 at 4:25 PM  
subject 2nd Notice - Notice of Public Hearing  
mailed-by gmail.com

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[Reply](#)

**TO ALL:**

Please find attached memo from Sen. Palacios, Acting Chairman, reference to scheduled public hearing  
Thank You.

—  
FRANCES S. LIZAMA  
Office of Senator Frank B. Aguon, Jr.  
30th Guam Legislature  
Committee on Economic Development,  
Health & Human Services, and Judiciary  
238 Archbishop F. C. Flores St.  
DNA Bldg (old PDN), Suite 701A  
Hagatna, Guam 96910  
Tel: 671.969.1495/6  
Fax: 671.969.1497

 PH - 2009.07.28 - Media.pdf  
1128K [View](#) [Download](#)

# Continental Micronesia pilots may be affected by furloughs

By Gerardo R. Parido  
gerp@mvguam.com  
Variety News Staff

**CONTINENTAL** Micronesia pilots based on Guam may be affected by a company-wide restructuring announced earlier this week by parent company Continental Airlines.

According to the Houston Chronicle, Continental Airlines has notified 310 of its pilots that they may be furloughed in the coming weeks.

The Chronicle report cited a letter to officials of the Air Line Pilots Association (Continental chapter) that nearly 7 percent of its 4,500 pilots may be laid off.

ALPA is the bargaining agent for the 4,000 pilots of Continental Airlines and is the world's oldest and largest pilot union, representing 64,000 pilots at 43

airlines in the U.S. and Canada. The planned reduction of jobs would affect pilots based at Continental's hubs including Guam.

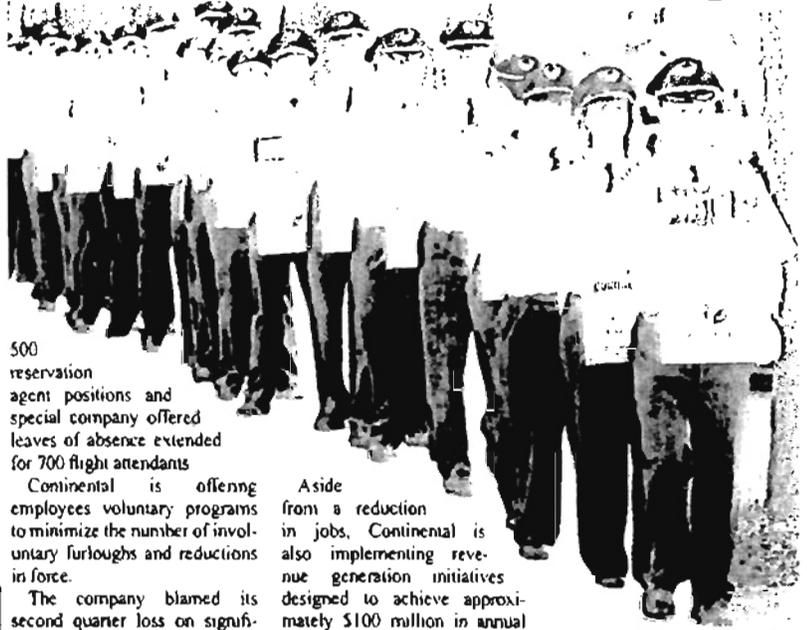
Other hubs that are expected to be affected are Houston, Cleveland and Newark, New Jersey.

The airline is expected to begin furloughing pilots as early as Sept. 23 based on seniority.

The furloughs are expected to be temporary but may last at least six months in duration.

Last Wednesday, Continental Airlines reported a second quarter 2009 net loss of \$213 million, which the company said requires the adoption of cost-cutting measures, including the elimination of 1,700 positions across the company.

This is in addition to the previously announced elimination of



500 reservation agent positions and special company offered leaves of absence extended for 700 flight attendants. Continental is offering employees voluntary programs to minimize the number of involuntary furloughs and reductions in force.

The company blamed its second quarter loss on significant declines in high yield traffic as many business travelers curtailed travel or purchased lower yield economy tickets due to the weakened economy.

In addition, the H1N1 virus reduced Continental's second quarter consolidated passenger revenue by an estimated \$50 million.

Aside from a reduction in jobs, Continental is also implementing revenue generation initiatives designed to achieve approximately \$100 million in annual benefits.

These revenue measures include increasing domestic checked baggage fees by \$5 for customers who do not prepay those fees online. This change is effective immediately for travel Aug. 19, 2009, and beyond.

The airline is also increasing its telephone reservation book-

Continental Airline pilots conduct informational picketing in this file photo to remind Continental management of their contractual agreements.

ing service fee by \$5 effective immediately.

Continental said other revenue initiatives will be announced when implemented.

SENATOR FRANK B. AGUON, JR., Chairman  
COMMITTEE ON ECONOMIC DEVELOPMENT,  
HEALTH & HUMAN SERVICES, AND JUDICIARY  
*I Mhina' Trema na Likelikelian Gushen* 30th Guam Legislature  
228 Archbishop F.C. Flores St., DHA Bldg., Ste. 701A, Hagatna, Guam 96910  
Tel: (671) 969-1495/6 Fax: (671) 969-1497 Email: aquonfrank@gmail.com

**NOTICE OF PUBLIC HEARING** - TUESDAY, JULY 28, 2009 1:00 pm  
GUAM LEGISLATURE PUBLIC HEARING ROOM

- 1:00 PM
- BILL NO. 136 (COR) - Relative to adding a new Item (B) Subsection (E) of § 8102 of Ch. 8, Title 25, Guam Administrative Rules and Regulations of the Guam Board of Examiners of Dentists.
- BILL NO. 140 (COR) - Relative to consideration of "Victims' Impact Statements of sentencing."
- BILL NO. 144 (COR) - Relative to reallocation of funding proceeds from the 2009 Solid Waste Management System Bond funds subject to approval of the Guam financing bond application with USD.
- BILL NO. 141 (COR) - Relative to DNA Profiles.
- BILL NO. 150 (COR) - Relative to increasing the tobacco tax.
- BILL NO. 158 (COR) - Relative to the culture of marriage.
- BILL NO. 149 (COR) - Relative to prohibiting of importing ingestible tobacco film strips, ingestible tobacco sticks, tobacco card candies, nicotine lozenges, nicotine lip balm, and nicotine water.
- BILL NO. 161 (COR) - Relative to the Reforming and Cosmetology Act of 2000.
- BILL NO. 30-163 (LS) - Relative to inflation adjustment of monetary fines.
- BILL NO. 30-165 (LS) - An act to establish law enforcement personnel, employees and positions from the application of the provision of "Safe Harbor" under Guam's Drug-Free Workplace Program by adding a new §5107(a), Ch. 25-10GCA, and to include other law enforcement personnel under the term "definition."
- BILL NO. 145 (COR) - An act to amend §51821, Art. 8, Ch. 51, 10GCA, relative to bond proceeds to include the repair and/or renovation of GMH Emergency Room and Hospital Expansion, construction of the Southern Regional Health Center, various Government educational and medical facilities and for other purposes.
- BILL NO. 147 (COR) - Relative to activities of corporation within the GEDA.
- BILL NO. 30-183 (COR) - Relative to authorizing GWA to incur short term indebtedness subordinate to its bonds to approve terms and conditions of issuance and to amend Section 3 of P.L. 28-71 relative to increasing maximum authorized interest rate on certain revenue bonds to be issued by GWA.

3:00 PM  
BILL NO. 30-185 (COR) - An act to add a new Ch. 16 19GCA, relative to domestic partnerships.

If written testimonies are to be presented at hearing the Committee requests that copies of written testimonies be submitted one day prior to hearing date to the Office of Senator Frank B. Aguon, Jr., 228 Archbishop F.C. Flores St., DHA Bldg., Ste. 701A, Hagatna, GU 96910, or emailed to aquonfrank@gmail.com. Individuals requiring special accommodations or for further information please contact Gina Tabares or Cathy Palacios at 969-1495/6.

THIS AD WAS PAID FOR BY GOVERNMENT FUNDS

# Japan's export slump finally eases

TOKYO (AFP) - Japan's trade surplus grew in June for the first time in 20 months as an export slump eased, data showed Thursday, supporting hopes the world's number two economy is crawling towards a recovery.

The surplus jumped roughly five-fold to 508.0 billion yen (\$5.4 billion), from 104.1 billion yen a year earlier, the finance ministry reported.

Exports exceeded imports for a fifth straight month, giving a vital boost to a country whose heavy dependence on overseas demand left it highly exposed to the global economic downturn.

The year-on-year improve-



File photo shows Japanese vehicles ready to load on a carrier ship at Narashino port in suburban Tokyo.

ment in the trade balance, the first since October 2007 reflected a smaller decline in exports and a sharp fall in imports.

Exports sank 35.7 percent from a year earlier to 4.6 trillion yen, after a 40.9 percent plunge

in May, while imports dived 41.9 percent to 4.1 trillion yen. Markets had expected a bigger surplus of 593 billion yen, but analysts still saw the data as a positive sign for the recession-hit economy.

"Exports are improving. What had been most worrying were shipments to the United States, but they shrank less than before," said Daiwa Institute of Research economist Hiroshi Watanabe. U.S.-bound exports were down 37.6 percent from a year earlier, compared with drops of more than 40 percent in April-May and more than 50 percent in January-March.

**Guam Developmental Disabilities Council**  
*Konasehon Gushen para I Tappis ni' Manganial dase bi' Manganob*  
130 University Drive, Suite 17, Mangilao, Guam 96913 • Tel: (671) 735-9127 • Fax: (671) 734-9121 • [guamddc@psguam.net](mailto:guamddc@psguam.net)

**GDDC Requests Public Input on Its Proposed 5-Year State Plan Amendments**

The Guam Developmental Disabilities Council (GDDC) would like public input on the proposed amendments to the GDDC 5-Year State Plan for Fiscal Years 2007-2011. The State Plan includes the Council's Goals and Objectives which guide future grant projects and staff activities. The Council wants to know what Guam Residents who have developmental disabilities, their families, their friends, neighbors, and service providers think about the proposed amendments.

A copy of the draft amendment is available at the GDDC Office located at the University Castle Mall, Suite 17, 130 University Drive, Mangilao, from 8:00 a.m. to 5:00 p.m., Monday through Friday. For additional information, please contact the GDDC office at 735-9127 or email [guamddc@psguam.net](mailto:guamddc@psguam.net). Public comment will accepted through August 10, 2009 and may be submitted, preferably in writing to:  
ATTN: Manuel Q. Cruz, Executive Director  
Guam Developmental Disabilities Council  
University Castle Mall, Suite 17 • 130 University Drive • Mangilao, Guam 96913

Funding for this ad is provided by the DD Assistance and Bill of Rights Act, Federal Public Law 105-402

MEMBER OF THE NATIONAL ASSOCIATION OF COUNCILS ON DEVELOPMENTAL DISABILITIES

**PUBLICATION NOTICE**

In accordance with the provisions of Guam Code Annotated, Title XI, Chapter III, Section 3315, notice is hereby given that

**Chung Ching Tao**

dba  
Seafood Dynasty Chinese Restaurant  
has applied for a Class  
Four General On Sale Alcoholic Beverage License  
said premises being marked as Lot  
6 Tract 111 1st Floor Flowers By Tand Bldg. Tumon



SENATOR FRANK B. AGUON, JR., *Chairman*  
COMMITTEE ON ECONOMIC DEVELOPMENT,  
HEALTH & HUMAN SERVICES, AND JUDICIARY  
*I Mina'Trenta Na Liheslaturan Guåhan* • 30th Guam Legislature  
238 Archbishop F.C. Flores St., DNA Bldg., Suite 701A, Hagatña, Guam 96910  
Tel: (671) 969-1495/6 • Fax: (671) 969-1497 • Email: aguon4guam@gmail.com

AGENDA

TUESDAY, JULY 28, 2009

GUAM LEGISLATURE PUBLIC HEARING ROOM

1:00 PM:

- **BILL NO. 136 (COR)**  
An act relative to encouraging and authorizing the return of former Guam residents, as applicable herein the field of dentistry, who previously practiced and served the island community and left Guam in good standing in accordance with the guidelines of the Guam Board of Examiners of Dentistry; through adding a new item "(8)" to Subsection "(E)" of §8102 of Chapter 8, of Title 25, Guam Administrative Rules and Regulations.
- **BILL NO. 140 (COR)**  
An act to add a new Article 2 to Chapter 120 of 8GCA relative to consideration of "Victims' Impact Statements" at sentencing.
- **BILL NO. 144 (COR)**  
An act relative to adding a new Subsection (h) to §51821 of Article 8, Division 2, Chapter 51, Title 10 of the Guam Code Annotated, relative to the reallocation of funding proceeds from the 2009 Solid Waste Management System Bond Funds to address capital improvement projects for the community of Guam, subject to the approval of the government of Guam financing loan application with the U.S. Department of Agriculture.
- **BILL NO. 141 (COR)**  
An act to add a new Article 3 to Chapter 120 of 8GCA relative to DNA Profiling.
- **BILL NO. 150 (COR)**  
An act to amend §26603 (a), (b), and (c) of Article 6, Chapter 26, of Title 11 of the Guam Code Annotated, relative to increasing the tobacco tax.
- ~~**BILL NO. 158 (COR)**  
An act to amend Sections 3101, 3104, and 3107 all of Chapter 3, Title 19 of the Guam Code Annotated, relative to the validity of marriage.~~
- **BILL NO. 159 (COR)**  
An act to add a new Chapter 90A to Title 10, Guam Code Annotated, relative to the prohibition of importing ingestible tobacco film strips, ingestible tobacco sticks, tobacco hard candies, nicotine lollipops, nicotine lip balm, and nicotine water.
- **BILL NO. 161 (COR)**  
An act to repeal and re-enact Chapter 18 of Title 10 of the Guam Code Annotated, the "*Barbering and Cosmetology Act of 2000.*"
- **BILL NO. 30-167 (LS)**  
An act to add a new §1.52 to Chapter 1 of 9GCA relative to inflationary adjustment of monetary fines.



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• **BILL NO. 30-169 (LS)**

An act to exclude law enforcement personnel, employees and positions from the application of the provision of "safe harbor" under the government of Guam's Drug-Free Workplace Program by adding a new §75107, to Chapter 75, Title 10 Guam Code Annotated; and to include other law enforcement personnel under the term "definition" as used in this Chapter by amending §75100(a), Chapter 75, Title 10 Guam Code Annotated.

• **BILL NO. 145 (COR)**

An act to amend 51821 of Article 8, Chapter 51, Title 10 GCA bond proceeds to include the repair and/or renovation of the Guam Memorial Hospital's Emergency Room and Hospital Expansion, the construction of the Southern Regional Health Center, various government-owned educational and medical facilities and for other purposes.

• **BILL NO. 147 (COR)**

An act to add a new subsection 50103 (p) to Chapter 50 Title 12 Guam Code Annotated relative to activities of corporation within the Guam Economic Development Authority.

• **BILL NO. 30-183 (COR)**

An act to *amend* Section 14235 of Article 2 of Chapter 14 of Title 12, Guam Code Annotated, relative to authorizing the Guam Waterworks Authority to incur short term indebtedness subordinate to its bonds; to approve the terms and conditions of the issuance of such indebtedness to fund certain operating accounts as required by its bond indenture, to pay past due expenses and to provide interim financing for costs of the moratorium project; and to amend Section 4 of Public Law 28-71 relative to increasing the maximum authorized interest rate on certain revenue bonds to be issued by Guam Waterworks Authority.

**5:00 PM:**

• **BILL NO. 30-185 (COR)**

An act to add a new Chapter 16, Title 19, Guam Code Annotated; relative to domestic partnership.



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An act to amend Chapter 3 of Title 19 of the Guam Code Annotated; relative to the legalization of same sex civil unions within the territory of the island of Guam.