

*I Mina'trentai Ocho Na Liheslaturan Guåhan*  
**BILL STATUS**

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
174-38 (COR)	V. Anthony Ada	AN ACT TO ADD A NEW CHAPTER 53 TO DIVISION 2 OF TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING THE GUAM FREE TRADE ZONE ACT OF 2025; TO DESIGNATE A FREE TRADE LOGISTICS ZONE, TO ESTABLISH TRADE FACILITATION INCENTIVES, AND TO PROMOTE GUAM AS A RE-EXPORT CENTER FOR THE INDO-PACIFIC REGION.	7/15/25 1:53 p.m.						

***I MINA'TRENTAI OCHO NA LIHESLATURAN GUÅHAN***  
**2025 (FIRST) Regular Session**

**Bill No. 174-38 ( COR )**

Introduced by:

V. Anthony Ada 

**AN ACT TO ADD A NEW CHAPTER 53 TO DIVISION 2 OF TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING THE *GUAM FREE TRADE ZONE ACT OF 2025*; TO DESIGNATE A FREE TRADE LOGISTICS ZONE, TO ESTABLISH TRADE FACILITATION INCENTIVES, AND TO PROMOTE GUAM AS A RE-EXPORT CENTER FOR THE INDO-PACIFIC REGION.**

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

**Section 1. Short Title.** This Act shall be known as the “*Guam Free Trade Zone Act of 2025.*”

**Section 2. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds that Guam is strategically positioned to serve as a logistics, re-export, and bonded trade hub connecting the United States with Asia-Pacific and Micronesian markets. Establishing a designated Free Trade Logistics Zone (FTLZ) will enhance Guam’s role in regional commerce, attract investment in warehousing and supply chain infrastructure, and create jobs for the local workforce. As Guam continues to rebound our tourism industry, and with concerns that the economic benefits of the military construction may conclude by end of the decade, it is critical that additional pillars to support our economy be developed.

A Free Trade Zone designation would ensure that imported goods stored or processed can be re-exported without paying customs duties or taxes, hence this would attract business entities particularly exporting goods to Asia. This would

1 include investments in warehousing, cold storage, and even light assembly  
2 operations. A designation would also position the island of Guam as a Pacific  
3 transshipment hub, linking Asia, Micronesia, and U.S. markets, while creating  
4 many new jobs across several industries on island. With federal support, these  
5 efforts would encourage the efficiency with customs and bonded warehouses while  
6 strengthening Guam’s economic resiliency.

7 It is the intent of *I Liheslatura Guåhan* to establish a statutory framework  
8 that supports this development by implementing incentives, streamlining customs  
9 procedures, and designating eligible areas. Achieving these goals will require  
10 sustained effort and multiple processes, including obtaining approvals from U.S.  
11 Customs and Border Protection for a Free Trade Zone and securing a Regional  
12 Export Zone designation for Guam from the U.S. Congress. These initiatives are  
13 currently being pursued in parallel. Nevertheless, it is essential for Guam to begin  
14 developing a comprehensive plan to demonstrate our commitment to this initiative,  
15 which will then lead to requests for technical assistance from federal entities. These  
16 are among the objectives of this Act.

17 **Section 3.** A New Chapter 53 is *added* to Division 2, Title 12, Guam Code  
18 Annotated to read as follows:

19 **“Chapter 53**

20 **Guam Free Trade Zone Act.**

- 21 § 53101. Definitions.
- 22 § 53102. Designation of Free Trade Logistics Zone.
- 23 § 53103. Customs Pre-Clearance and Bonded Warehousing.
- 24 § 53104. Tax Incentives.
- 25 § 53105. Permitting and Licensing Streamlining.
- 26 § 53106. Reporting Requirements.
- 27 § 53107. Marketing and Promotion of the FTLZ Program.

1 **§ 53101. Definitions.**

2 (a) “Free Trade Logistics Zone (FTLZ)” means a designated geographic  
3 area within Guam approved by the Guam Economic Development Authority  
4 (GEDA), where goods may be imported, stored, processed, and re-exported  
5 with reduced local taxation and streamlined customs procedures.

6 (b) “Re-export” means the shipment of imported goods out of Guam  
7 without the goods entering commercial distribution within Guam.

8 (c) “Qualified Logistics Operator (QLO)” means a legal entity licensed  
9 to operate within an FTLZ, meeting criteria established by GEDA.

10 **§ 53102. Designation of Free Trade Logistics Zone.**

11 The Guam Economic Development Authority, hereinafter referred to as  
12 GEDA shall be responsible for identifying, mapping, and recommending areas  
13 within the territory of Guam to be designated as Free Trade Logistics Zones,  
14 hereinafter referred to as FTLZs. These areas may include public or private lands,  
15 subject to zoning compatibility, infrastructure suitability, and potential for  
16 commercial and logistics development. Within one hundred eighty (180) calendar  
17 days of the effective date of this Act, GEDA shall submit to the Governor of Guam  
18 a formal report and map identifying proposed FTLZ sites, including justification  
19 based on economic feasibility, geographic access, and potential return on  
20 investment.

21 The Governor shall, within sixty (60) days of receipt of GEDA’s report,  
22 approve, disapprove, or request modifications to the proposed designations. Upon  
23 approval, such designated areas shall be deemed authorized as FTLZ’s pursuant to  
24 this Chapter. GEDA shall coordinate with the Department of Land Management,  
25 Port Authority of Guam, Guam International Airport Authority, and other relevant  
26 entities in preparing the FTLZ designation plan.

27 **§ 53103. Customs Pre-Clearance and Bonded Warehousing.**

1           (a) Within ninety (90) days of the effective date of this Act, GEDA, in  
2 coordination with the Guam Customs and Quarantine Agency, hereinafter  
3 referred to as CQA, shall initiate formal engagement with the U.S. Customs  
4 and Border Protection, hereinafter referred to as CPB to pursue:

5                   (1) The establishment of one or more federally licensed bonded  
6 warehousing facilities within each designated FTLZ; and

7                   (2) The development of customs pre-clearance systems, digital  
8 customs processing, or other enhanced federal customs operations to  
9 support re-export and logistics activity.

10           (b) GEDA and CQA shall submit to the Governor of Guam and I  
11 Liheslaturan Guåhan, within one hundred eighty (180) days of the effective  
12 date of this Act, a report detailing:

13                   (1) The status of discussions with CBP and federal stakeholders;

14                   (2) Proposed facility locations and infrastructure requirements;  
15 and

16                   (3) Any federal authorizations or agreements necessary to  
17 proceed with implementation.

18           (c) The Government of Guam shall actively pursue memoranda of  
19 understanding (MOUs) or formal agreements with CBP to implement bonded  
20 warehousing operations and customs modernization initiatives within the  
21 FTLZ, consistent with federal regulations and security standards.

22 **§ 53104. Tax Incentives.**

23           (a) Within one hundred eighty (180) calendar days of the effective date  
24 of this Act, GEDA shall develop, adopt, and implement a schedule of tax  
25 incentives applicable to businesses operating within designated FTLZs in  
26 Guam.

1           **(b)** Subject to rules adopted by GEDA, the following shall be eligible  
2 for exemption of the Business Privilege Taxes, hereinafter referred to as BPT,  
3 pursuant to Chapter 26 of Title 11, Guam Code Annotated:

4           **(1)** Goods imported into an FTLZ for the sole purpose of re-  
5 export shall be exempt from the Business Privilege Tax (BPT),  
6 provided such goods do not enter commercial distribution or  
7 consumption within Guam;

8           **(2)** Qualified Logistics Operators, hereinafter referred to as QLO,  
9 shall be exempt from the BPT on gross receipts derived exclusively  
10 from re-export activities conducted within an approved FTLZ. Any  
11 revenue derived from sales or services within the territory of Guam  
12 shall remain subject to taxation under applicable laws;

13           **(c)** Real property utilized exclusively for re-export logistics purposes  
14 within an approved FTLZ shall be eligible for up to fifty percent (50%)  
15 abatement of real property taxes for a period not to exceed five (5) years from  
16 the date of certification by GEDA.

17           **(d)** Within one hundred eighty (180) calendar days of the effective date  
18 of this Act, GEDA shall promulgate guidelines to determine eligibility,  
19 application procedures, compliance monitoring, and enforcement  
20 mechanisms. GEDA shall also transmit its adopted incentive schedule to the  
21 Governor of Guam and the Speaker of I Liheslaturan Guåhan upon  
22 implementation.

23 **§ 53105. Permitting and Licensing Streamlining.**

24           GEDA shall serve as the lead coordinating agency to facilitate streamline  
25 permitting, licensing, and regulatory approvals for entities certified as (QLOs)  
26 operating within designated FTLZs. Within one hundred eighty (180) calendar

1 days of the effective date of this Act, GEDA shall develop and implement a  
2 regulatory streamlining framework, which may include:

3 (a) A consolidated permitting and license application process for  
4 QLOs;

5 (b) Standardized interagency review timelines and requirements;

6 (c) Designation of a QLO liaison or “conciierge” within GEDA to assist  
7 applicants in navigating relevant permitting agencies; and

8 (d) Recommendations for statutory or regulatory reforms to expedite  
9 the review and approval process for logistics-related infrastructure and  
10 operations.

11 GEDA shall coordinate with all relevant Government of Guam agencies,  
12 including but not limited to the Department of Land Management, Guam  
13 Environmental Protection Agency, Department of Public Works, Guam Fire  
14 Department, and the Department of Revenue and Taxation, to ensure timely  
15 interagency participation. GEDA shall submit a written report to the Governor and  
16 I Liheslaturan Guåhan within two hundred ten (210) days of the effective date of  
17 this Act detailing the framework implemented, agency agreements secured, and  
18 any further legislative actions recommended to support long-term streamlining  
19 efforts.

20 **§ 53106. Reporting Requirements.**

21 GEDA shall submit a written report annually to the Speaker of I Liheslaturan  
22 Guåhan, the Governor of Guam, and the Chairperson of the Committee with  
23 jurisdiction over economic development. The report shall provide an evaluation of  
24 the implementation and operation of the FTLZ program and shall be submitted no  
25 later than March 1st of each calendar year for the preceding fiscal year. The report  
26 shall include, at a minimum, the following information:

1           (a) The number, name, and geographic location of all approved FTLZs,  
2 including any changes in designation or deactivation during the reporting  
3 period;

4           (b) The number of certified and active Qualified Logistics Operators  
5 (QLOs) operating within each designated FTLZ;

6           (c) The aggregate volume and declared value of goods re-exported through  
7 the FTLZ program during the reporting period, as provided by operators and  
8 verified by CQA;

9           (d) The estimated economic impact of the FTLZ program, including:

10                   (1) The number of new jobs created;

11                   (2) Wages and benefits associated with direct employment;

12                   (3) Capital investment in infrastructure, facilities, and equipment  
13 related to FTLZ operations;

14                   (4) A summary of tax benefits utilized by QLOs, including  
15 estimated foregone revenues, if applicable;

16                   (5) Challenges encountered in administration or compliance; and

17                   (6) Any recommendations for legislative, regulatory, or  
18 operational improvements to the FTLZ program.

19           GEDA shall coordinate with the Guam Customs and Quarantine Agency,  
20 Department of Revenue and Taxation, Department of Labor, and other relevant  
21 agencies to compile accurate and comprehensive data for the annual report. The  
22 annual report shall be made available to the public via GEDA's official website  
23 within ten (10) calendar days of transmittal to I Liheslaturan Guåhan.

24 **§ 53107. Marketing and Promotion of the FTLZ Program.**

25           GEDA shall be authorized and directed to develop and implement a  
26 comprehensive marketing and promotion plan to support the FTLZ program. The  
27 plan shall target potential investors, logistics operators, manufacturers, and

1 regional trading partners in the Indo-Pacific region and the United States mainland.

2 The marketing plan may include, but is not limited to:

3 (a) Digital and print promotional materials;

4 (b) Trade missions and outreach to prospective QLOs;

5 (c) Participation in logistics, trade, and economic development  
6 conferences;

7 (d) Stakeholder engagement events in Guam and abroad; and

8 (e) Development of a dedicated website or FTLZ informational portal.

9 Starting in Fiscal Year 2027, GEDA is authorized to request and receive  
10 appropriations annually from the General Fund or other eligible funding sources  
11 for the purpose of implementing the marketing plan for this Act. GEDA may also  
12 accept and extend public or private grants, gifts, or other contributions designated  
13 for such purposes. No more than Five Hundred Thousand Dollars (\$500,000) shall  
14 be appropriated from the General Fund in any year to achieve the objectives of this  
15 Chapter. Any unspent dollars at the end of a Fiscal Year, shall remain in the  
16 account with GEDA, unless the funds are transferred elsewhere by *I Liheslaturan*  
17 *Guåhan*. GEDA shall submit a summary of marketing activities and expenditures  
18 as part of its annual report required under this Chapter.”

19 **Section 4. Appropriations.**

20 Subject to availability of funds, the sum of Five Hundred Thousand Dollars  
21 (\$500,000) is hereby appropriated from the General Fund to GEDA in Fiscal Year  
22 2026, to implement the provisions of Section 3 of this Act, including planning,  
23 outreach, and staffing needs.