

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
234-38 (COR)	Jesse A. Lujan Tina Rose Muña-Barnes Vincent A. V. Borja Christopher M. Dueñas William A. Parkinson Joe S. San Agustin Eulogio Shawn Gumataotao Shelly V. Calvo Frank F. Blas, Jr. Sabrina Salas Matanane	AN ACT TO ADD A NEW §73157 TO ARTICLE 1, CHAPTER 73, DIVISION 3 OF TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO MANDATING THE ADOPTION OF THE AUTOMATED SYSTEM FOR CUSTOMS DATA (ASYCUDA) AS THE OFFICIAL CUSTOMS MANAGEMENT SYSTEM OF THE GUAM CUSTOMS AND QUARANTINE AGENCY, AND TO AUTHORIZE AGREEMENTS WITH THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD) FOR ITS IMPLEMENTATION AND MAINTENANCE.	11/24/25 12:21 p.m. ^12/17/25 11:49 a.m.	12/18/25	Committee on Transportation, Tourism, Customs, Utilities, and Federal and Foreign Affairs.	Request: 12/18/25 12/29/25	1/12/26 9:00 a.m.	3/9/26	



March 2, 2026

The Honorable Frank F. Blas Jr.
Speaker, *I Mina 'trentai Ocho na Liheslaturan Guåhan*
163 W. Chalan Santo Papa
Hågatña, Guam 96910

Via Honorable Vice Speaker V. Anthony Ada 
Chairman, Committee on Rules

RE: Committee Report on Bill No. 234-38 (COR)

Buenas yan Håfa Ådai Speaker,

Transmitted herewith is the Committee Report on Bill No. 234-38 (COR) - An Act To Add A New §73157 To Article 1, Chapter 73, Division 3 Of Title 5, Guam Code Annotated, Relative To Mandating The Adoption Of The Automated System For Customs Data (ASYCUDA) As The Official Customs Management System Of The Guam Customs And Quarantine Agency, And To Authorize Agreements With The United Nations Conference On Trade And Development (UNCTAD) For Its Implementation And Maintenance.

Committee votes are as follows:


<u>6</u>	TO DO PASS
<u> </u>	TO NOT PASS
<u>1</u>	TO REPORT OUT ONLY
<u> </u>	TO ABSTAIN
<u> </u>	TO PLACE IN INACTIVE FILE



COMMITTEE ON RULES

RECEIVED:
March 2, 2026 9:02 p.m.
Marie Crisostomo

Senseremente,


Senator Jesse A. Lujan
Chairperson, Committee on Transportation, Tourism, Customs, Utilities and Federal & Foreign Affairs



COMMITTEE REPORT

Bill No. 234-38 (COR)

INTRODUCED BY

Jesse A. Lujan

“AN ACT TO ADD A NEW §73157 TO ARTICLE 1, CHAPTER 73, DIVISION 3 OF TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO MANDATING THE ADOPTION OF THE AUTOMATED SYSTEM FOR CUSTOMS DATA (ASYCUDA) AS THE OFFICIAL CUSTOMS MANAGEMENT SYSTEM OF THE GUAM CUSTOMS AND QUARANTINE AGENCY, AND TO AUTHORIZE AGREEMENTS WITH THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD) FOR ITS IMPLEMENTATION AND MAINTENANCE.”



February 28, 2026

MEMORANDUM

To: **All Members**
Committee on Transportation, Tourism, Customs, Utilities and Federal & Foreign Affairs

From: **Senator Jesse A. Lujan**
Chairperson, Committee on Transportation, Tourism, Customs, Utilities and Federal & Foreign Affairs

Subject: **Committee Report on Bill No. 234-38 (COR)**

Transmitted herewith for your consideration is the Committee Report on **Bill No. 234-38 (COR)** - Jesse A. Lujan – An Act To Add A New §73157 To Article 1, Chapter 73, Division 3 Of Title 5, Guam Code Annotated, Relative To Mandating The Adoption Of The Automated System For Customs Data (Asycuda) As The Official Customs Management System Of The Guam Customs And Quarantine Agency, And To Authorize Agreements With The United Nations Conference On Trade And Development (Unctad) For Its Implementation And Maintenance.”

This report includes the following:

- Copy of COR Referral of Bill No. 234-38 (COR)
- Notices of Public Hearing
- Copy of the Public Hearing Agenda
- Public Hearing Sign-in Sheet
- Copies of Submitted Written Testimony/Other
- Committee Vote Sheet
- Committee Report Digest
- Copy of Bill No. 234-38 (COR), As Introduced
- Fiscal Note

Please take the appropriate action on the attached vote sheet. Your attention to this matter is greatly appreciated. Should you have any questions or concerns, please do not hesitate to contact me.

Respectfully,

Senator Jesse A. Lujan

Chairperson, Committee on Transportation, Tourism, Customs, Utilities and Federal & Foreign Affairs



COMMITTEE ON RULES

Vice Speaker V. Anthony Ada, Chairperson
I Mina'trentai Ocho Na Liheslaturan Guåhan
38th Guam Legislature

December 18, 2025

To: **Rennae V. C. Meno**
Clerk of the Legislature

Attorney Darleen Hiton
Legislative Legal Counsel

From: **Vice Speaker V. Anthony Ada** 
Chairperson, Committee on Rules

Subject: **Referral of Bill No. 234-38 (COR)**

Håfa Adai,

As per my authority as Chairperson of the Committee on Rules and subject to §6.01(d)(1), Rule VI of our Standing Rules, I am forwarding the referral of **Bill No. 234-38 (COR)** – Jesse A. Lujan, Tina Rose Muña Barnes, Vincent A. V. Borja, Christopher M. Dueñas, William A. Parkinson, Joe S. San Agustin, Eulogio Shawn Gumataotao, Shelly V. Calvo, Frank F. Blas Jr., Sabrina Salas Matanane. – “AN ACT TO ADD A NEW §73157 TO ARTICLE 1, CHAPTER 73, DIVISION 3 OF TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO MANDATING THE ADOPTION OF THE AUTOMATED SYSTEM FOR CUSTOMS DATA (ASYCUDA) AS THE OFFICIAL CUSTOMS MANAGEMENT SYSTEM OF THE GUAM CUSTOMS AND QUARANTINE AGENCY, AND TO AUTHORIZE AGREEMENTS WITH THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD) FOR ITS IMPLEMENTATION AND MAINTENANCE.”

Please ensure that the subject bill is referred to Committee on Transportation, Tourism, Customs, Utilities, and Federal and Foreign Affairs chaired by Senator Jesse A. Lujan. I also request that the same be copied to the Prime Sponsor of the subject bill and to Management Information Services (MIS) for posting on our website.

A copy of the bill is available on our legislative website.

Should you have any questions or concerns, please feel free to contact Kamarin Nelson, Committee on Rules Director at 671-472-2461.





FIRST NOTICE of Public Hearings on Monday, January 12, 2026

Senator Jesse Lujan <senator.lujan@guamlegislature.gov>
To: phnotice@guamlegislature.gov

Mon, Jan 5, 2026 at 11:00 AM

FOR IMMEDIATE RELEASE

January 5, 2026

MEMORANDUM

To: All Senators, Stakeholders, Media
From: Senator Jesse A. Lujan
Chairman, Committee on Transportation, Tourism, Customs, Utilities,
and Federal & Foreign Affairs

RE: FIRST NOTICE of Public Hearings on Monday, January 12, 2026

The Committee on Transportation, Tourism, Customs, Utilities and Federal & Foreign Affairs will conduct a public hearing on **Monday, January 12, 2026** beginning at **9:00 AM** at the Public Hearing Room in the Guam Congress Building. The agenda is as follows:

9:00 AM

- **Bill No. 228-38 (COR) – Jesse A. Lujan AN ACT TO ADD A NEW ARTICLE 4 TO CHAPTER 58, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING THE “ENHANCING TOURISM AESTHETICS PROGRAM”.**
- **Bill No. 234-38 (COR) – Jesse A. Lujan AN ACT TO ADD A NEW §73157 TO ARTICLE 1, CHAPTER 73, DIVISION 3 OF TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO MANDATING THE ADOPTION OF THE AUTOMATED SYSTEM FOR CUSTOMS DATA (ASYCUDA) AS THE OFFICIAL CUSTOMS MANAGEMENT SYSTEM OF THE GUAM CUSTOMS AND QUARANTINE AGENCY, AND TO AUTHORIZE AGREEMENTS WITH THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD) FOR ITS IMPLEMENTATION AND MAINTENANCE.**

If you would like to participate in any of the Public Hearings listed above or submit written testimony, please contact the Office of Senator Jesse A. Lujan for further assistance via email at senator.lujan@guamlegislature.gov or by phone at (671) 969-6525.

In compliance with Title II of the Americans with Disabilities Act (ADA), all government activities, programs, and services are accessible to individuals with disabilities. If you or anyone you know requires assistance or special accommodations to participate in the public hearing, please contact the Office of Senator Jesse A. Lujan at the contact information provided above.

The Public Hearings will be broadcast LIVE on local television (GTA Channel 21, Docomo Channel 117) and streamed online through *I Liheslaturan Guåhan*'s YouTube Channel (@guamlegislaturemedia).

This ad was paid with funds by the Committee on Transportation, Tourism, Customs, Utilities and Federal & Foreign Affairs.

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Office of Majority Leader Jesse A. Lujan

Chairman, Committee on Transportation, Tourism, Customs, Utilities and Federal & Foreign Affairs

259 Martyr St., Hagatna, Guam 96910

senator.lujan@guamlegislature.gov

(671) 969-6525



JAL-FN 01.12.2026.pdf

365K



FOR IMMEDIATE RELEASE

January 5, 2026

MEMORANDUM

To: All Senators, Stakeholders, Media

From: Senator Jesse A. Lujan
Chairman, Committee on Transportation, Tourism, Customs, Utilities,
and Federal & Foreign Affairs

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FIRST NOTICE of Public Hearings on Monday, January 12, 2026


 PRINT

**FIRST NOTICE of Public Hearings on Monday,
January 12, 2026**

PUBLIC HEARING



 **Posted on:** 01/05/2026 12:12 PM

 **Posted by:** Cecile Suda, Deputy Chief of Staff

 **Public Hearing Date:** 01/12/2026 09:00 AM

 **Department(s):**

GUAM LEGISLATURE (/notices?department_id=92)

 **Division(s):**

OFFICE OF SENATOR JESSE A. LUJAN (/notices?division_id=270)

 **Notice Topic(s):** PUBLIC HEARING (/notices?topic_id=74)

 **Types of Notice:** PUBLIC HEARING (/notices?type_id=7)

 **For Audience(s):** PUBLIC (/notices?public=1)

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FOR IMMEDIATE RELEASE

January 5, 2026

MEMORANDUM

To: All Senators, Stakeholders, Media
From: Senator Jesse A. Lujan
Chairman, Committee on Transportation, Tourism, Customs,
Utilities,
and Federal & Foreign Affairs

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This ad was paid with funds by the Committee on Transportation, Tourism, Customs, Utilities and Federal & Foreign Affairs.



Public hearing on tourism and customs bills Scheduled for January 12, 2026

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FIRST NOTICE OF PUBLIC HEARING by Senator Jesse Anderson Lujan
Published on Kandit on January 5, 2026

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SECOND NOTICE of Public Hearings on Monday, January 12, 2026

Senator Jesse Lujan <senator.lujan@guamlegislature.gov>
To: phnotice@guamlegislature.gov

Thu, Jan 8, 2026 at 8:30 AM

FOR IMMEDIATE RELEASE

January 8, 2026

MEMORANDUM

To: All Senators, Stakeholders, Media
From: Senator Jesse A. Lujan
Chairman, Committee on Transportation, Tourism, Customs, Utilities,
and Federal & Foreign Affairs
RE: **SECOND NOTICE of Public Hearings on Monday, January 12, 2026**

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Office of Majority Leader Jesse A. Lujan

Chairman, Committee on Transportation, Tourism, Customs, Utilities and Federal & Foreign Affairs

259 Martyr St., Hagatna, Guam 96910

senator.lujan@guamlegislature.gov

(671) 969-6525



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FOR IMMEDIATE RELEASE

January 8, 2026

MEMORANDUM

To: All Senators, Stakeholders, Media

From: Senator Jesse A. Lujan
Chairman, Committee on Transportation, Tourism, Customs, Utilities,
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SECOND NOTICE of Public Hearings on Monday, January 12, 2026


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**SECOND NOTICE of Public Hearings on
Monday, January 12, 2026**

PUBLIC HEARING



 **Posted on:** 01/08/2026 08:37 AM

 **Posted by:** Cecile Suda, Deputy Chief of Staff

 **Public Hearing Date:** 01/12/2026 09:00 AM

 **Department(s):**

GUAM LEGISLATURE (/notices?department_id=92)

 **Division(s):**

OFFICE OF SENATOR JESSE A. LUJAN (/notices?division_id=270)

 **Notice Topic(s):** PUBLIC HEARING (/notices?topic_id=74)

 **Types of Notice:** PUBLIC HEARING (/notices?type_id=7)

 **For Audience(s):** PUBLIC (/notices?public=1)

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FOR IMMEDIATE RELEASE

January 8, 2026

MEMORANDUM

To: All Senators, Stakeholders, Media
From: Senator Jesse A. Lujan
Chairman, Committee on Transportation, Tourism, Customs,
Utilities,
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scheduled to begin:



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 Published on Kandit on January 8, 2026

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Invitation to Public Hearing on Bill No. 234-38 (COR) on Monday, January 12, 2026, 9:00AM

Senator Jesse Lujan <senator.lujan@guamlegislature.gov>
To: "Benjamin J.F. Cruz" <bjcruz@guamopa.com>

Fri, Jan 9, 2026 at 2:29 PM

Hafa Adai Public Auditor Cruz,

The Committee on Transportation, Tourism, Customs, Utilities and Federal & Foreign Affairs will conduct a public hearing on **Bill No. 234-38 (COR)** – Jesse A. Lujan **AN ACT TO ADD A NEW §73157 TO ARTICLE 1, CHAPTER 73, DIVISION 3 OF TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO MANDATING THE ADOPTION OF THE AUTOMATED SYSTEM FOR CUSTOMS DATA (ASYCUDA) AS THE OFFICIAL CUSTOMS MANAGEMENT SYSTEM OF THE GUAM CUSTOMS AND QUARANTINE AGENCY, AND TO AUTHORIZE AGREEMENTS WITH THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD) FOR ITS IMPLEMENTATION AND MAINTENANCE** on **Monday, January 12, 2026** beginning at **9:00 AM** at the Public Hearing Room in the Guam Congress Building.

Your input is valuable, and we encourage you to attend and share your testimony. If you are unable to participate in person, we welcome written testimony, which may be submitted via email to senator.lujan@guamlegislature.gov.

Should you have any questions or require additional information, please do not hesitate to contact our office at (671) 969-6525.

Please kindly confirm receipt of this email.

Si Yu'os Ma'asel!

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Office of Majority Leader Jesse A. Lujan

Chairman, Committee on Transportation, Tourism, Customs, Utilities and Federal & Foreign Affairs

259 Martyr St., Hagatna, Guam 96910


senator.lujan@guamlegislature.gov


(671) 969-6525

[Quoted text hidden]

3 attachments

 **Bill No. 234-38 (COR) Referred Version.pdf**
3678K

 **JAL-FN 01.12.2026.pdf**
365K

 **JAL-SN 01.12.2026.pdf**
365K

Invitation to Public Hearing on Bill No. 234-38 (COR) on Monday, January 12, 2026, 9:00AM

1 message

Senator Jesse Lujan <senator.lujan@guamlegislature.gov> Mon, Jan 5, 2026 at 4:08 PM
To: Franklin Gutierrez <franklin.gutierrez@cqa.guam.gov>, "J.L. Iglesias" <jessica.iglesias@cqa.guam.gov>, Dee Flores <dolores.flores@cqa.guam.gov>, Eric Delfin <eric.delfin@cqa.guam.gov>, Sonia Siliang <sonia.siliang@bsp.guam.gov>, Jerome Aguon <jerome.aguon@revtax.guam.gov>, Michael Ford <michael.ford@otech.guam.gov>, Laisa Naivalurua <LaisaN@ocosec.org>, Vincent Perez <vincent.perez@cqa.guam.gov>

Hafa Adai!

The Committee on Transportation, Tourism, Customs, Utilities and Federal & Foreign Affairs will conduct a public hearing on **Bill No. 234-38 (COR) – Jesse A. Lujan AN ACT TO ADD A NEW §73157 TO ARTICLE 1, CHAPTER 73, DIVISION 3 OF TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO MANDATING THE ADOPTION OF THE AUTOMATED SYSTEM FOR CUSTOMS DATA (ASYCUDA) AS THE OFFICIAL CUSTOMS MANAGEMENT SYSTEM OF THE GUAM CUSTOMS AND QUARANTINE AGENCY, AND TO AUTHORIZE AGREEMENTS WITH THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD) FOR ITS IMPLEMENTATION AND MAINTENANCE** on **Monday, January 12, 2026** beginning at **9:00 AM** at the Public Hearing Room in the Guam Congress Building.

Your input is valuable, and we encourage you to attend and share your testimony. If you are unable to participate in person, we welcome written testimony, which may be submitted via email to senator.lujan@guamlegislature.gov.

Should you have any questions or require additional information, please do not hesitate to contact our office at (671) 969-6525.

Please kindly confirm receipt of this email.

Si Yu'os Ma'ase!

--

**Office of Majority Leader Jesse A. Lujan**

Chairman, Committee on Transportation, Tourism, Customs, Utilities and Federal & Foreign Affairs


259 Martyr St., Hagatna, Guam 96910

senator.lujan@guamlegislature.gov

(671) 969-6525

2 attachments

 **Bill No. 234-38 (COR) Referred Version.pdf**
3678K

 **JAL-FN 01.12.2026.pdf**
365K



Public Hearing Agenda
Monday, January 12, 2026, 9:00 AM
Guam Congress Building

AGENDA

9:00 AM

- **Bill No. 228-38 (COR) – Jesse A. Lujan AN ACT TO ADD A NEW ARTICLE 4 TO CHAPTER 58, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING THE “ENHANCING TOURISM AESTHETICS PROGRAM”.**
- **Bill No. 234-38 (COR) – Jesse A. Lujan AN ACT TO ADD A NEW §73157 TO ARTICLE 1, CHAPTER 73, DIVISION 3 OF TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO MANDATING THE ADOPTION OF THE AUTOMATED SYSTEM FOR CUSTOMS DATA (ASYCUDA) AS THE OFFICIAL CUSTOMS MANAGEMENT SYSTEM OF THE GUAM CUSTOMS AND QUARANTINE AGENCY, AND TO AUTHORIZE AGREEMENTS WITH THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD) FOR ITS IMPLEMENTATION AND MAINTENANCE.**



I Mina'trentai Ocho na Liheslaturan Guahan

Office of Senator Jesse A. Lujan

Chairman, Committee on Transportation, Tourism, Customs, Utilities and Federal & Foreign Affairs

Date:

MONDAY, JANUARY 12, 2026

Time: 9:00 AM

PUBLIC HEARING - BILL NO. 234-38 (COR) - SENATOR JESSE A. LUJAN

	Name	Agency / Address	Contact No.	Email	Type of Testimony		Support	
					Oral	Written	Yes	No
1	STEENE ALWAPAZ	CQA					✓	
2	Adam Gray	CQA					✓	
3	Franklin Gutierrez	CQA			✓		✓	
4	JESSICA GUZMAN	CQA					✓	
5	FERRIS LERENA	CQA					✓	
6	Jerem, Artem	COA					✓	
7	MAGSAYON, Kevin	COA					✓	
8	Frias, Jason	COA					✓	
9	Planes, Dolores	CQA					✓	
10	PALACIOS DOUGLAS	CQA					✓	



I Mina'trentai Ocho na Liheslaturan Guahan

Office of Senator Jesse A. Lujan

Chairman, Committee on Transportation, Tourism, Customs, Utilities and Federal & Foreign Affairs

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	Name	Agency / Address	Contact No.	Email	Type of Testimony		Support	
					Oral	Written	Yes	No
1	Joseph Conroy	CQA					✓	
2	Brianx A. Chirugo	CQA					✓	
3	Matthew Tagore	CQA					✓	
4	Samuel Bark	CQA					✓	
5	Dyliz Tuiolo	CQA					✓	
6	Javier Lujan	CQA					✓	
7	Matt Santos	BSP			✓		✓	
8	Eugene A. Fernandez	CQA					✓	
9	Dawn A. Chao	CQA					✓	
10	Brian Tagore	CQA					✓	



I Mina'trentai Ocho na Liheslaturan Guahan

Office of Senator Jesse A. Lujan

Chairman, Committee on Transportation, Tourism, Customs, Utilities and Federal & Foreign Affairs

Date:

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PUBLIC HEARING - BILL NO. 234-38 (COR) - SENATOR JESSE A. LUJAN

	Name	Agency / Address	Contact No.	Email	Type of Testimony		Support	
					Oral	Written	Yes	No
1	Nicole Is Nelson	OTECH					X	
2	MICHAEL FORD	OTECH			✓	✓	X	
3	Joel Solas	COA			✓		X	
4	Vincent Perez	CQA			✓		X	
5	FRANCIS FELARANG	CQA					X	
6	Rino Cristobal	CQA					X	
7	Joshua Dean	CQA					X	
8	JOSHUA DEAN	CQA					X	
9	Matthew Tudela	CQA					X	
10	LEILANI NAVARRO	DTSS-DEH					X	



I Mina'trentai Ocho na Liheslaturan Guahán

Office of Senator Jesse A. Lujan

Chairman, Committee on Transportation, Tourism, Customs, Utilities and Federal & Foreign Affairs

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PUBLIC HEARING - BILL NO. 234-38 (COR) - SENATOR JESSE A. LUJAN

	Name	Agency/Address	Contact No.	Email	Type of Testimony		Support	
					Oral	Written	Yes	No
1	POCANGE DAN	LESFAMS					✓	
2	JOEY ALMOGILERA	Customs					✓	
3	Tom Nadesin	DPHSS			✓	✓	✓	
4	CHARLIE HERMOZA	BWA			✓		✓	
5	Yovonne Spaight	Triupli B Fomua						
6	Cira Mune	"						
7	Fernando Roberto	SUP					✓	
8	KEVIN SHIMIZU	CUSTOMS					✓	
9	Benjamin Cruz	OPA			✓		✓	
10								



I Mina'trental Ocho na Liheslaturan Guahan

Office of Senator Jesse A. Lujan

Chairman, Committee on Transportation, Tourism, Customs, Utilities and Federal & Foreign Affairs

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	Name	Agency / Address	Contact No.	Email	Type of Testimony		Support	
					Oral	Written	Yes	No
1	IKE B. PEREDA	CRA			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
2	JONRIC MENDIOZA	U			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
3	EVANIEL MENDOZA	COA					<input checked="" type="checkbox"/>	
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CUSTOMS & QUARANTINE AGENCY, GUAM

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Director's Office

*Director of Customs - Ike Q. Peredo
Chief of Customs - Vincent S.N. Perez*

January 12, 2026

Senator Jesse A. Lujan
Chairperson, Committee on Transportation, Tourism,
Customs, Utilities, and Federal & Foreign Affairs
38th Guam Legislature

Testimony in Support of Bill 234-38

Hafa Adai and Good morning, Senator Jesse Lujan, Chairperson of the Committee on Transportation, Tourism, Customs, Utilities and Federal & Foreign Affairs, and Senators of the 38th Guam Legislature. I am Johnric Mendiola, Customs Officer Supervisor with the Guam Customs & Quarantine Agency, and testifying in support of Bill No. 234-38, introduced by Senator Lujan and co-introduced by Senators Muna-Barnes, Borja, Duenas, Parkinson, San Agustin, Gumataotao, Calvo, Salas-Matanane, and Speaker Blas.

The customs administration processes in Guam, established when control was granted to the local government in the 1950s, are significantly outdated. Despite the substantial growth in cargo volumes through our air and seaports, the methods for clearing, accounting, auditing, evaluating, determining, and reconciling entered goods have remained virtually unchanged from that era.

For the past 75 years, the Customs and Quarantine Agency (CQA) has relied on an outdated, manual, and unautomated system to review and clear goods. This system is used for determining admissibility, enforcement, regulatory compliance, taxation, auditing, and other crucial customs/quarantine purposes.

The volume of incoming freight makes this manual review process extremely challenging. CQA personnel must physically review immense amounts of documentation attached to over 900 sea containers and 200 tons of air freight arriving weekly, a time-consuming process vital for ensuring the safety of our island. Furthermore, this manual system fails to capture valuable economic and statistical information contained within these documents, resulting in a critical data deficit.

Globally, this form of manual customs entry submission and clearance is no longer accepted, even in many least developed countries. Almost all customs administrations worldwide have implemented automation initiatives to enhance their processes, improve risk assessment capabilities, capture essential data, and create a more user-friendly environment that encourages trade. Countries within our own region, including the Republics of Palau, Marshall Islands, and

the Federated States of Micronesia, have all automated their entry clearance facilitation process using the ASYCUDA system.

I support Bill 234-38, which, if enacted, would adopt the United Nations Conference on Trade and Development's (UNCTAD) Automated System for Customs Data (ASYCUDA) as Guam's official customs management system.

While multiple factors have stalled the Guam government and CQA from implementing an electronic, customs-focused platform like ASYCUDA to replace the current manual and outdated process, I want to use my time to express my specific reasons for advocating for this legislation.

Government of Guam's return to adopting ASYCUDA:

- **Enhances Risk Assessment and Compliance:** Implement an automated, integrated, and analytical system utilizing current technology, algorithms, and smart software to improve risk/threat assessment, identify goods for physical/regulatory inspection, detect fraud/non-compliance, combat smuggling, and ensure internal transparency.
- **Improves Revenue Collection and Reconciliation:** Significantly enhances the assessment, recording, collection, revenue, and reconciliation of existing taxes (e.g., Use Tax, Tobacco Tax), addressing issues documented in various Guam Public Auditor and UOG reports.
- **Generates Real-Time Trade Data:** Compiles accurate, concise statistical trade and economic information using the Harmonized Commodity and Coding System for real-time reports essential for policy and economic planning.
- **Facilitates Government Information Sharing:** Share compiled customs information with authorized government users for policy evaluation.
- **Accelerates Clearance and Minimizes Cost:** Improve and speed up customs clearance through information technology and electronic data interchange, streamlining procedures and reducing costs for both internal and external stakeholders.

Bill 234-38 designates ASYCUDA as Guam's system, allowing engagement with UNCTAD and exempting these agreements from local procurement laws. Engaging with UNCTAD is a judicious decision. Despite the availability of for-profit companies, UNCTAD is the optimal choice for Guam's automation needs. Over 40 years, this intergovernmental body has continuously evolved ASYCUDA to meet global standards and create a robust, affordable platform delivering specific benefits that include:

- A system capable of handling manifests, customs declarations, and goods accountability.
- The capability to generate detailed information on trade activity for utilization in economic analysis and planning.
- A system that is pre-aligned with all international codes and standards relevant to customs processing as established by the International Organization for Standardization (ISO), the World Customs Organization (WCO), and the United Nations (UN).
- The ability to be configured to accommodate Guam's unique requirements, such as its duty-free status, customs regulations, and statutes; and following initial configuration,

remaining fully adaptable to any subsequent changes in customs processes, regulations, and legislation.

- Demonstrating affordability and a positive return on investment.
- The utilization of electronic data interchange between users and customs administrations.
- A team comprised of specialists and technical experts possessing a customs or border management profile and experience in customs management automation development.
- Interoperability with other government systems and a pathway for transition to Single Window systems.
- Its established reputation and extensive global distribution, evidenced by its adoption in over 100 countries worldwide, including numerous Pacific island nations.

It is for these reasons that I reiterate my support of Bill 234-38 and extend my appreciation for all those Senators who have supported this and other measures that provide for resources and legislation needed by CQA.

Thank you for the opportunity, and I'm available for questions by the committee.



Johnric Q. Mendiola
Captain CQA

TESTIMONY OF THE CHIEF OF CUSTOMS

IN SUPPORT OF BILL NO. 234-38 (COR)

RELATIVE TO THE IMPLEMENTATION OF THE ASYCUDA SYSTEM FOR GUAM

Håfa Adai Mr. Chairman, Mr. Vice Chair, and Honorable Members of I Liheslaturan Guåhan:

My name is VINCENT SN PEREZ, and I serve as the Chief of Customs for the Guam Customs and Quarantine Agency. I respectfully appear before you today to testify in strong support of Bill No. 234-38, which authorizes Guam to move forward with the implementation of the Automated System for Customs Data (ASYCUDA).

I. Guam's Unique Customs Responsibility Requires Modern Tools

Guam occupies a unique legal and operational position within the United States framework. Under federal law, Guam is outside the customs territory of the United States, and as such, customs administration and enforcement are the responsibility of the Government of Guam, not the federal government.

This means that Guam Customs:

- Performs the full federal customs mission locally
- Enforces both federal and local laws at our borders
- Acts as a collaborator for numerous federal and territorial agencies, including agriculture, public health, revenue and taxation, environmental protection, homeland security, and others
- Conducts inspections, seizures, investigations, and arrests related to customs, narcotics, fraud, and prohibited goods

Despite this expansive responsibility, Guam Customs has historically relied on manual, paper-based, and fragmented systems that no longer match the scale, complexity, or security demands of modern border operations.

Bill 234-38 addresses this gap.

II. ASYCUDA Is a Proven, Internationally Recognized Customs Platform

ASYCUDA is not an experimental system. It is a globally deployed customs management platform, currently used in over 100 countries, including many small island and developing economies with trade and enforcement profiles similar to Guam.

Most importantly for this Legislature, Guam's delegation recently conducted an on-site operational study of Palau's ASYCUDA system, where we observed the system functioning in real time—not in theory, but in daily practice.

Palau's experience demonstrated that ASYCUDA:

- Transitioned customs operations from paper to fully electronic processing
- Enabled real-time data capture and reporting
- Automated duty and tax calculations
- Implemented risk scoring to target high-risk cargo
- Integrated customs with revenue, immigration, and biosecurity functions
- Resulted in a documented increase in revenue collection of approximately 27%

This is not a projection. It is an observed outcome.

III. Revenue Protection and Fiscal Accountability

During our Palau study and internal Guam discussions, it was repeatedly acknowledged that Guam may currently be missing between \$60 million and \$110 million annually in border-related taxes and fees due to:

- Manual processing
- Delayed declarations
- Inconsistent data
- Limited audit trails
- Gaps in air cargo, postal, and courier processing

ASYCUDA directly addresses these issues by:

- Automatically calculating duties, fees, and taxes
- Preventing release of goods without proper declaration
- Creating permanent digital audit trails
- Allowing Revenue & Taxation to access accurate, real-time import data
- Supporting compliance enforcement and post-entry audits

Bill 234-38 is therefore not simply a customs bill—it is a revenue protection and fiscal integrity measure for the Government of Guam.

IV. Border Security, Public Safety, and Risk Management

Customs is Guam's first line of defense.

Today's threats include:

- Narcotics trafficking
- Weapons and prohibited items
- Biosecurity risks
- Communicable diseases
- Terrorism-related threats
- Illicit financial flows

ASYCUDA enhances border security by enabling:

- Advance cargo information
- Automated risk profiling
- Targeted inspections
- Integration with X-ray and inspection technologies
- Data-driven enforcement decisions

This allows Customs officers to focus their limited resources on the highest-risk shipments, rather than expending time on low-risk, compliant trade.

V. Whole-of-Government Integration Is a Key Strength of This Bill

One of the most important findings from the Palau study—and a key reason this bill is so critical—is that ASYCUDA only succeeds when implemented as a whole-of-government system.

That is why it was essential that this effort included:

- Members of the Guam Legislature
- The Office of Technology
- The Department of Revenue & Taxation
- The Bureau of Statistics and Plans

Their participation ensured that ASYCUDA will:

- Integrate with Guam's IT architecture
- Support statistical reporting and economic planning
- Align with tax administration systems
- Comply with legislative intent and oversight

Bill 234-38 formalizes that coordinated approach.

VI. This Bill Positions Guam for the Future

Passage of Bill 234-38 will:

- Modernize Guam's customs operations
- Improve revenue collection and compliance
- Strengthen border security
- Reduce costs and delays for legitimate trade
- Increase transparency and accountability
- Align Guam with international customs standards
- Enhance Guam's leadership role in Micronesia and the region

Most importantly, it ensures that Guam Customs has the tools required to fulfill the responsibilities that federal law already places on our shoulders.

VII. Conclusion

Madam Chair and Honorable Senators,

Bill 234-38 is necessary, timely, and responsible.

The evidence is clear. The risks of inaction are substantial. The benefits of modernization are measurable and proven.

On behalf of the men and women of the Guam Customs and Quarantine Agency—who carry out this mission every day—I respectfully urge this Legislature to pass Bill No. 234-38.

Si Yu'os Ma'åse'



Vincent S.N. Perez



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Director's Office

Director of Customs – Ike Q. Peredo

Chief of Customs – Vincent S.N. Perez

January 12, 2026

Honorable Jesse A. Lujan
Senator 38th Guam Legislature
Chairperson, Committee on Transportation,
Tourism, Customs, Utilities and Federal & Foreign Affairs

Subject: Testimony in Favor of Bill 234-38

Hafa Adai and Good morning, members of the 38th Guam Legislature's Committee on Transportation, Tourism, Customs, Utilities and Federal & Foreign Affairs and Chairperson Senator Jesse Lujan.

I am Ike Q. Peredo, Director of the Guam Customs & Quarantine Agency, and I am pleased to provide testimony in support of Bill Number 234-38, a measure introduced by Chairperson Lujan and co-sponsored by Senators Muna-Barnes, Borja, Duenas, Parkinson, San Agustin, Gumataotao, Calvo, Salas-Matanane, and Speaker Blas.

The bill's intent is to address the imperative need to reform, modernize, and automate the current antiquated customs operations, practices, and processes on Guam. Bill 234-38 grants the Customs & Quarantine Agency (CQA), clear legal authority to adopt the Automated Systems for Customs Data, globally recognized as ASYCUDA, as Guam's official customs management system.

Furthermore, it authorizes the Agency to enter into intergovernmental agreements, memoranda, and other requisite legal instruments with the United Nations Conference on Trade and Development (UNCTAD), the proprietary owners of this management system.

If enacted into law, this bill will significantly complement existing customs reform legislations, specifically Public Laws 35-105 and 37-82, which initiated the modernization of customs processes for preparation into the digital age.

The use of ASYCUDA will, in turn, enhance the CQA's efficiency and effectiveness in identifying fraud and illegal smuggling; strengthening risk and threat assessment; providing



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real-time accountability of goods for customs entry; improving customs inspection fee collections; and optimizing resource management.

For the Government of Guam, ASYCUDA will be capable of gathering and compiling real-time statistical trade information that can inform policy decisions and improve the identification and collection of revenue on existing taxes.

For our stakeholders and the public, the system will foster transparency, predictability, simplification of the clearance process, digital access for the clearance of goods, and an overall improvement of the customs clearance process compared to our current manual operations.

The fundamental question before us concerns the reason and rationale of ASYCUDA. To understand our support for this system, we must explain the origins of this system used by over 100 countries around the world.

First developed in 1981 by UNCTAD, ASYCUDA was initially established to compile trade statistics. In its inception, it was soon recognized that the most appropriate and well-positioned governmental organization or entity to capture, collect, and manage this task comprised customs officials, given their inherent duties to regulate cross-border activities.

Since its initial iteration, ASYCUDA has evolved to encompass other facets and capabilities of cross-border trade facilitation, based on the specific needs of customs administrations, which added to the growth or abilities of the system.

Among other elements that has contributed to the expansion of the system includes electronic data interchange, innovation of logistics, public needs, incorporation of globally accepted instruments developed by the World Customs Organization, such as its SAFE (Standards to Secure and Facilitate Global Trade Framework) and the Harmonized Commodity Description and Coding System, as well as the codes and standards developed by the International Organization for Standardization has lead to the current system renditions.

Today, ASYCUDA is backed by specialists and technical staff with expertise in customs administration, information technology, global supply chain, and border management,

Mailing Address: 770 East Sunset Boulevard, Suite 240, Tiyan, Guam 96913

*Executive Office: 770 East Sunset Boulevard, Suite 250, Guam Integrated Air Cargo Facility, Tiyan, Guam 96913
(671) 475-6202 | (671) 475-6227 Fax | www.cqa.guam.gov*



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ASYCUDA has become the widely used customs system platform by over 100 customs administrations from small-scale economies worldwide.

Notably, this includes 16 countries in Oceania, among them includes our neighbors from the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

Unlike the larger industrialized countries which have the resources to build their system from the ground up, the affordability of ASYCUDA for administrations or countries with limited resources and customs centric technical expertise is practical.

Additionally, the resources associated with implementing ASYCUDA allows administrations to build its capacity and develop modules tailored to their specific administrative needs. This concept promotes the organic growth of the system and the administration's personnel, cultivating a network of experts from within a region.

It is for these reasons that I reiterate my support of this bill to adopt ASYCUDA as the customs management system of Guam. The pursuit of ASYCUDA serves in the best interest of CQA and the government of Guam, further improving the trade facilitation environment and strengthening CQA's cross border interdiction operations.

If passed into law the procurement of this system will allow CQA, in collaboration with the Guam Bureau of Statistics and Plans, to commence substantive engagements and contractual negotiations with UNCTAD to bring into realization the automation of Guam's customs processes.

I appreciate your time and continued support of the CQA. I remain available to address any questions you may have.

Ike Q. Peredo
Director, CQA



MAGA'HĀGAN GUĀHAN
GOVERNOR OF GUAM

JOSHUA F. TENORIO
SEGUNDO MAGA'LĀHEN GUĀHAN
LT. GOVERNOR OF GUAM

GOVERNMENT OF GUAM

DEPARTMENT OF PUBLIC HEALTH AND SOCIAL SERVICES
PATTAMENTON SALUT PUPBLEKO YAN SETBISION SUSIAT



THERESA C. ARRIOLA, MBA
DIRECTOR

PETERJOHN D. CAMACHO, MPH
DEPUTY DIRECTOR

AMANDA LEE SHELTON, MPA
DEPUTY DIRECTOR

January 12, 2026

Senator Jesse A. Lujan
Calvo Arriola Building Suite 101-A
259 Martyr St.
Hagatna, Guam 96910

TESTIMONY ON BILL 234-38 (COR)

Hafa Adai, Senator Lujan and members of 38th Guam Legislature. My name is Theresa C. Arriola, Director of the Department of Public Health and Social Services (DPHSS). Thank you for allowing us the opportunity to present testimony on Bill 234-38 (COR) “An Act to Add a New § 73157 to Article 1, Chapter 73, Division 3 of Title 5 Guam Code Annotated, Relative to Mandating the Adoption of the Automated System for Customs Data (ASYCUDA) as the Official Customs Management System of the Guam Customs and Quarantine Agency, and to Authorize Agreements with the United Nations Conference on Trade and Development (UNCTAD) for its Implementation and Maintenance.”

The Department of Public Health and Social Services strongly supports Bill 234-38. All food, drugs, cosmetics, and medical devices that are imported, distributed, and sold in Guam are regulated by the Division of Environmental Health (DEH) under Title 10 GCA, Chapter 40, Guam Food, Drug and Cosmetic Act (the “Act”) to ensure that these commodities are not misbranded, adulterated, or fraudulent.

At present, DEH relies heavily on Guam Customs and Quarantine Agency (CQA) to identify and intercept imported products that may violate the Act. This process is largely manual and paper-based, limiting the ability of regulators to proactively identify emerging risks. The implementation of ASYCUDA represents a critical modernization of this process, and it has the potential to significantly enhance DEH’s own Consumer Commodities Program.

By adopting ASYCUDA, DEH and CQA will be able to move away from manually reviewing paper manifests, and instead, it can rely on the data-driven risk management tools of this system. ASYCUDA will allow for the automated identification and flagging of high-risk commodities such as unapproved drugs, adulterated foods, or mislabeled cosmetics for inspection, while allowing low-risk shipments to clear more efficiently. This will not only improve regulatory effectiveness, but it will also reduce delays for compliant importers, thereby supporting lawful trade, and economic activity. As a result, the system can greatly improve DEH’s regulatory effectiveness by providing advance visibility of imported goods, improving oversight, and streamlining compliance activities through access to ASYCUDA data.

At the federal level, there is a similar system called the Automated Commercial Environment (ACE) system managed by the U.S. Customs and Border Protection (CBP). The import data submitted through ACE is automatically transmitted to the U.S. Food and Drug Administration’s (FDA) Operational and Administrative System for Import Support (OASIS), which enables FDA to electronically screen and

manage its regulated products. Thus, the modernization of Guam's importation surveillance through the adoption of ASYCUDA is particularly appropriate for DPHSS, as it would provide DEH with a comparable mechanism to electronically monitor, screen, and manage the many consumer commodities it regulates.

Upon the adoption and implementation of ASYCUDA by Guam CQA, DEH too can seek to modernize its operations in the regulations of consumer commodities by developing its own integrated regulatory platform that interfaces directly with ASYCUDA, like how our counterparts in FDA interface with the federal ACE system. By doing so, this will improve data sharing, prioritize inspections based on risk, manage the growing volume of imports more efficiently, and ensure that imported consumer products entering Guam meet applicable safety, efficacy, and quality standards.

In addition, from an overall public health perspective, the implementation of ASYCUDA, combined with its interface possibility with DEH, this Department can:

- Expand inspection capacity at ports of entry, warehouses, and retail establishments.
- Modernize laboratory testing capabilities to detect emerging threats such as unapproved pharmaceutical ingredients, microplastic contamination, and carcinogenic compounds in food and cosmetics.
- Strengthen rapid response, recall, and traceback capabilities during public health emergencies linked to unsafe consumer products.
- Enhance enforcement actions against repeat violators who import unsafe goods, thereby deterring bad actors and promoting fair competition among compliant businesses.
- Increase consumer education and outreach to raise public awareness about the risks associated with adulterated or misbranded products.

Ultimately, these improvements directly benefit the people of Guam. A modern, automated import screening system reduces the likelihood that unsafe food, drugs, or consumer products reach store shelves, homes, schools, and healthcare facilities. It also allows CQA and DEH to shift from a reactive enforcement model to a preventative, intelligence-driven approach that protects public health before harm occurs.

In closing, DPHSS once again thanks Senator Lujan for introducing Bill 234-38 and for advancing legislation that strengthens Guam's regulatory infrastructure.

Un Dângkulu na si Yu'os Ma'ãse.



THERESA C. ARRIOLA, MBA

ASYCUDA IMPLEMENTATION – OTECH

The Office of Technology is excited to assist Guam Customs and Quarantine (CQA) in their new era of data modernization. Following the successful trip to Palau in observing their Asycuda implementation, here are some items identified by the Office of Technology (Otech).

Key Points:

- Prediction of Project Expectations

- Asycuda Architecture
 - Palau Architecture
 - Guam Architecture

- API to Payment System Integration

- Asycuda Internal Application User Security
 - Low-bandwidth Internet Connections
 - Obsolete Network (LAN) Switches

- Guam CQA IT Support
 - Establish On-Site IT Staff
 - Otech Responsibilities

PREDICTION OF PROJECT EXPECTATIONS

*Subject to change following initial contact with Asycuda engineers/developers/experts

- Asycuda engineer(s) to recommend/provide hardware that meets Otech minimum hardware specifications
- Otech to aid by receiving and installing supporting physical hardware
- Asycuda engineer(s) will install the Asycuda application and database environment on virtual machines (VM) within the Office of Technology datacenter
- Otech to assist in project timeline regarding hardware/software installation and guam.gov network connectivity
- Otech to support connectivity requests regarding Asycuda engineer(s) access
- Guam CQA to work with Asycuda Engineer(s) on developing Guam-specific Customs Modules within the Asycuda virtual environment
- Guam CQA to develop policies, procedures, and training processes for Asycuda applications with the assistance of Asycuda engineer(s)
- Guam CQA will need to coordinate inter-agency communications with DRT and/or DOA regarding how incoming payments and data exchange will be handled. The API integration with the Asycuda system will depend on this outcome.
- Asycuda engineer to assist Guam CQA/Otech with payment Application Programming Interfaces (API) development and User Acceptance Testing (UAT) processes
- Otech to configure guam.gov firewall rules for availability of Asycuda website.
 - Note: This step is likely implemented after User Acceptance Testing (UAT) between Asycuda engineers and Guam CQA.
- Guam CQA/Otech/Asycuda engineer(s) to work with existing website vendor to install and test the Asycuda login portal on Guam CQA website

ASYCUDA ARCHITECTURE

Palau Architecture:

- Asycuda system housed on-site with Virtual Machines (VM) on physical hardware
- Supported on-site with a 30 MB/s internet connection
- VM Replication in place on replication hardware
- VM Operating System scheduled backups in place
- Asycuda portal accessible from Palau Customs (PCBP) site through Palau's on-site firewall
- Multi-Factor Authentication (MFA) for Asycuda login portal

Guam Architecture:

- On-Site hardware with Virtual Machines (VM)
- Main internet connection 1GB
- Application portal can also be established through Otech's on-site firewall
- VM replication and MFA recommended
- VM Operating System scheduled backups in place

We recommend following suit with Palau's setup. Palau IT mentioned the physical server and virtual environment were provided with the Asycuda installation package. If offered to Guam, we recommend moving forward with this package.

Issues may arise with the cloud-hosted option, in which data is stored outside of the country (Fiji and Malaysia). This is possible only if the data resides within the United States.

In the event the hardware package is not offered to Guam, we must be wary of the possibility of procuring additional equipment and licensing. Note that any hardware in the guam.gov environment must be TAA compliant.

Otech will request a technical call to establish expectations, deliverables, and a project timeline regarding the installation of Asycuda server architecture.

API TO PAYMENT SYSTEM INTEGRATION

Guam CQA currently receives incoming payments through a TPS payment system integrated with the AS400. Guam CQA will need to coordinate inter-agency communications with DRT and/or DOA regarding how incoming payments will be handled.

The payment system API integration with the Asycuda system will depend on this outcome.

Snippet from the Asycuda bill regarding DRT interfacing:

(f) System Integration and Data Governance.

The Agency shall configure and operate ASYCUDA in a manner that:

- (1) facilitates electronic receipt, processing, and retention of cargo and passenger data, manifests, and declarations;
- (2) enables, to the maximum extent practicable, electronic interface and data sharing with the Department of Revenue and Taxation and with any government-wide financial or revenue management systems authorized by law;

ASYCUDA INTERNAL APPLICATION USER SECURITY

With cybersecurity and optimal application performance in mind, there are areas needing attention within Guam CQA and any other agency that will be using Asycuda.

To support the ASYCUDA from a guam.gov end-user perspective, agencies accessing the web-based application are highly recommended to resolve internet speed hurdles and device vulnerabilities.

Items requiring attention include:

- Upgrade Low-bandwidth internet connections
- Replace Obsolete Network (LAN) Switches

UPGRADE LOW-BANDWIDTH INTERNET CONNECTIONS

Many CQA offices will need an upgrade in internet bandwidth to prevent any disruption of services. (MB/s = megabytes per second).

Recommendations:

- Upgrade bandwidth to a minimum of 15 MB/s for any CQA location
- The below locations have only 5 MB/s circuits from GTA, which would hinder operations for multiple users using the web-based ASYCUDA application

GTA Circuit ID	Site	Transport	Village	Circuit Type	Bandwidth
472-1406	Customs Maritime	Copper	Piti	DSL	5 MB/s
653-1301	AAFB Customs	Copper	Yigo	DSL	5 MB/s
649-1304	Customs Pacair Exec	Copper	Barrigada	DSL	5 MB/s
642-1300	Customs GIAA Main	Copper	Tamuning	DSL	5 MB/s

REPLACE OBSOLETE NETWORK (LAN) SWITCHES

Many CQA offices have obsolete network (LAN) switches that do not meet modern specifications and can no longer receive updates.

Recommendation:

- Procure Layer 3 Network (LAN) Switches for each CQA location to meet modern technology standards. Note that all hardware *must be TAA compliant*.
 - Switch Specs: https://otech.guam.gov/wp-otech-content/uploads/2023/10/OTECH_Switch_Specs_9.29.2023.pdf
 - All specs: <https://otech.guam.gov/resources/>

Otech can assist in identifying obsolete devices and recommend network infrastructure improvements for Guam CQA locations.

GUAM CQA IT SUPPORT

The Office of Technology is here to assist in any IT related matters. However, we are unfortunately understaffed in assisting over 40 Government of Guam agencies, receiving over seven thousand tickets a year. While Otech strives to complete HelpDesk tickets in a timely manner, there are multiple occasions where a ticket cannot be resolved immediately due to full staff schedules.

Recommendation:

Establish in-house Guam CQA IT staff. In this process, a memo of understanding (MOU) between Otech and Guam CQA will establish positions and expected responsibilities of in-house CQA IT staff. This MOU can be requested from Bea Santos or Otech CTO.

Otech Responsibilities

- Server operating systems and hardware back-end support
- Configuration of network (LAN) switches/infrastructure

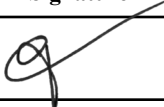
Otech is here to assist in any IT related hurdles along the way and will work to the best of our ability in supporting CQA to update and ready for their efforts in data modernization with Asycuda. Please note that the items on this document are not set in stone and are subject to change.

~END~



COMMITTEE VOTE SHEET

Bill No. 234-38 (COR) - “An Act To Add A New §73157 To Article 1, Chapter 73, Division 3 Of Title 5, Guam Code Annotated, Relative To Mandating The Adoption Of The Automated System For Customs Data (Asycuda) As The Official Customs Management System Of The Guam Customs And Quarantine Agency, And To Authorize Agreements With The United Nations Conference On Trade And Development (Unctad) For Its Implementation And Maintenance.”

Committee Members	Signature	TO DO PASS	TO NOT PASS	TO REPORT OUT ONLY	TO ABSTAIN	TO PLACE IN INACTIVE FILE
Senator Jesse A. Lujan <i>Chairperson</i>		X				
Senator Christopher M. Dueñas <i>1st Vice Chairperson</i>	Evote 3/2/26	X				
Senator Shelly Vargas Calvo <i>2nd Vice Chairperson</i>						
Senator Frank F. Blas, Jr. <i>Member</i>						
Senator Sabrina Salas Matanane <i>Member</i>	Evote 3/2/26			X		
Senator Vincent A.V. Borja <i>Member</i>	Evote 3/2/26	X				
Senator Eulogio Shawn Gumataotao <i>Member</i>	Evote 3/2/26	X				
Senator Tina Rose Muña Barnes <i>Member</i>						
Senator Joe S. San Agustin <i>Member</i>	Evote 3/2/26	X				
Senator William A. Parkinson <i>Member</i>	Evote 3/2/26	X				



FP1 Mariñas

REQUEST FOR EVOTE: Bill No. 234-38 (COR)

8 messages

FP1 Mariñas
To: jalcommittee@guamlegislature.gov

Mon, Mar 2, 2026 at 4:26 PM

Håfa Ådai Committee Members!


Please see attached Committee Report for Bill No. 234-38 (COR) - Jesse A. Lujan - *As Introduced* - An Act To Add A New §73157 To Article 1, Chapter 73, Division 3 Of Title 5, Guam Code Annotated, Relative To Mandating The Adoption Of The Automated System For Customs Data (ASYCUDA) As The Official Customs Management System Of The Guam Customs And Quarantine Agency, And To Authorize Agreements With The United Nations Conference On Trade And Development (UNCTAD) For Its Implementation And Maintenance.

Indicate your preferred action:

- TO DO PASS
- TO NOT PASS
- TO REPORT OUT ONLY
- TO ABSTAIN
- TO PLACE IN INACTIVE FILE

Please submit your response **ASAP**. Your responses will be logged into the vote sheet which will be submitted as part of the final Committee Report to the Committee on Rules.

--
Senseremente,
FP1 Mariñas
Independent Contractor

 **jal_bn 234_route.pdf**
11408K

Senator Jesse Lujan <senator.lujan@guamlegislature.gov>
To: FP1 Mariñas
Cc: jalcommittee@guamlegislature.gov

Mon, Mar 2, 2026 at 4:30 PM

To do pass.



Office of Majority Leader Jesse A. Lujan

Chairman, Committee on Transportation, Tourism, Customs, Utilities and Federal & Foreign Affairs

259 Martyr St., Hagatna, Guam 96910

senator.lujan@guamlegislature.gov

(671) 969-6525

[Quoted text hidden]

Office of Senator Borja <contact@senatorvinceborja.com>
To: Senator Jesse Lujan <senator.lujan@guamlegislature.gov>
Cc: FP1 Mariñas, jalcommittee@guamlegislature.gov

Mon, Mar 2, 2026 at 4:35 PM

To do pass
[Quoted text hidden]

Senator Shawn Gumataotao <office.senatorshawn@guamlegislature.gov>

Mon, Mar 2, 2026 at 5:14 PM

To: FP1 Mariñas [REDACTED]

Cc: jalcommittee@guamlegislature.gov

Hafa adai,

To Do Pass.

Si Yu'os ma'åse!

Office of Senator Eulogio Shawn Gumataotao
Chairman, Committee on Public Safety, Emergency Management, and Guam National Guard
38th Guam Legislature
[120 Father Duenas Avenue](#) Capitol Plaza Building, Suite 103, Hagåtña, Guam 96910
(671) 647-1409/1411

[Quoted text hidden]

Joe S. San Agustin <senatorjoessanagustin@gmail.com>

Mon, Mar 2, 2026 at 5:46 PM

To: Senator Shawn Gumataotao <office.senatorshawn@guamlegislature.gov>

Cc: FP1 Mariñas [REDACTED], jalcommittee@guamlegislature.gov

To do pass.

The Office of Senator Joe S. San Agustin

I Mina'trentai Ocho na Liheslaturan Guåhan

38th Guam Legislature

Guam Congress Building, 163 Chalan Santo Papa, Hagåtña, Guam 96910

T: (671) 989-5445 F: (671) 969-6737 E: senatorjoessanagustin@gmail.comWebsite: www.senatorjoessanagustin.com

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[Quoted text hidden]

Office of Legislative Secretary Senator Sabrina Salas Matanane

Mon, Mar 2, 2026 at

<office.senatorbri@guamlegislature.gov>

5:50 PM

To: "Joe S. San Agustin" <senatorjoessanagustin@gmail.com>

Cc: Senator Shawn Gumataotao <office.senatorshawn@guamlegislature.gov>, FP1 Mariñas [REDACTED], jalcommittee@guamlegislature.gov

Report out only



Office of Legislative Secretary
SENATOR SABRINA SALAS MATANANE
I Mina'trentai Ocho Na Liheslaturan Guahan | 38th Guam Legislature
 Chairperson, Committee on Health and Veterans Affairs
 163 W. Chalan Santo Papa, Hagatna, Guam 96910
 office.senatorbri@guamlegislature.gov
 671-989-2572

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[Quoted text hidden]

Senator William Parkinson <senator.parkinson@guamlegislature.gov>

Mon, Mar 2, 2026 at 5:51 PM

To: FP1 Mariãnas [REDACTED]

Cc: jalcommittee@guamlegislature.gov

To do pass

[Quoted text hidden]

Senator Chris Duenas <senator.duenas@guamlegislature.gov>

Mon, Mar 2, 2026 at 6:54 PM

To: Senator William Parkinson <senator.parkinson@guamlegislature.gov>

Cc: FP1 Mariãnas [REDACTED], jalcommittee@guamlegislature.gov

To do pass



Office of Senator Christopher M. Duenas

Chairman, Committee on Finance and Government Operations

259 Martyr St., Hagatna, Guam 96910

senator.duenas@guamlegislature.gov

(671) 989-9554

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COMMITTEE REPORT DIGEST

Committee on Transportation, Tourism, Customs, Utilities and Federal & Foreign Affairs
Senator Jesse A. Lujan, Chairman

I. OVERVIEW

Bill No. 234-38 (COR) was introduced on **December 17, 2025** by **Senator Jesse A. Lujan**, and was subsequently referred by the Committee on Rules to the **Committee on Transportation, Tourism, Customs, Utilities and Federal & Foreign Affairs** on **December 18, 2025**.

The **Committee on Transportation, Tourism, Customs, Utilities and Federal & Foreign Affairs** convened a Public Hearing for Bill No. 234-38 (COR) on **January 12, 2025 at 9:00AM** in the Guam Congress Building's Public Hearing Room.

PUBLIC NOTICE REQUIREMENTS

Public Hearing Notices were posted to the Government Public Notices Portal and disseminated via electronic mail to all senators and all main media broadcasting outlets on **January 5, 2026** (5-Day Notice), and again on **January 8, 2026** (48-Hour Notice).

SENATORS PRESENT

Senator Jesse A. Lujan, Chairman, Bill Sponsor
Senator Eulogio Shawn Gumataotao, Committee Member
Senator Tina Muña Barnes

ORAL TESTIMONY:

Benjamin J.F. Cruz - Public Auditor, OPA
Ike Peredo, Director, CQA
Vincent S.N. Perez, Chief of Customs, CQA
Johnric Q. Mendiola, Captain, QCA
Michael Ford, Office of Technology.
Tom Nadeau, Chief Environmental Public Health Officer, DPHSS
Charlie Hermosa

WRITTEN TESTIMONY:

Ike Peredo, Director, CQA
Vincent S.N. Perez, Chief of Customs, CQA
Johnric Q. Mendiola, Captain, QCA
Office of Technology.
Theresa C. Arriola, Director, DPHSS

APPEARED BEFORE THE COMMITTEE:

Benjamin J.F. Cruz - Public Auditor, OPA
Ike Peredo, Director, CQA
Vincent S.N. Perez, Chief of Customs, CQA
Johnric Q. Mendiola, Captain, QCA
Michael Ford, Office of Technology.
Tom Nadeau, Chief Environmental Public Health Officer, DPHSS
Claire Briggs, ASO, CQA
Charlie Hermosa

II. SUMMARY OF TESTIMONY & DISCUSSION

The public hearing for Bill No. 234-38 (COR) was called to order at [9:02AM](#).

SENATOR JESSE A. LUJAN, CHAIRMAN: Good Morning again, we're back from recess. We'll be hearing now Bill No. 234-38 (COR) *Hafa Adai* again to the listening audience. For those here for this bill, I'm here to hear today's discussion because I take this responsibility as chairman seriously. I believe this bill is the result of ongoing oversight and direct work with the agencies that we're responsible for. My staff and I are in regular contact with them, and we understand what is working, what is not, and what tools they need to do their jobs. This legislation comes directly from that process. CQA told us that their current systems are outdated and no longer meet today's needs. They asked for a modern and internationally recognized customs system that would replace paper-based processes, strengthen border security, and support legitimate trade. This bill

delivers that solution. Before this bill was introduced, 10 to 15 members chose to co-sponsor it. That early support shows both the urgency of the problem and the confidence in the path forward.

The bill designates ASYCUDA as the official customs management system for Guam Customs and Quarantine. ASYCUDA is used by customs agencies around the world to process cargo electronically, assess duties and taxes, manage risk, and enforce the law. It moves Guam into a modern and integrated system. It allows cargo information to be reviewed before arrival, mandates assessments, improves revenue tracking, and provides reliable information for oversight and enforcement. These are basic functions that protect our borders and our public funds. It will also authorize Guam to work directly with the United Nations Conference on Trade and Development, the sole provider of ASYCUDA, while keeping legislative oversight in place. Most importantly, this bill protects taxpayer dollars. Audits have shown that outdated systems increase the risk of revenue loss and weak controls. This will address those issues while ensuring we keep ownership of our data and maintain our security safeguards. With that, I look forward to today's discussion. We have the folks here to testify. Before we start, of course, Speaker BJ Cruz, Public Auditor, we referenced actually in your audit and your findings in the bill. We'll go ahead and begin with you, your testimony. Thank you very much.

BENJAMIN J.F. CRUZ, PUBLIC AUDITOR, OPA: Thank you very much, Mr. Chairman and members of the committee. I apologize, I did not come this morning with written testimony. When I was notified Friday afternoon, I said I would come, and you reminded me at the gym yesterday. So yes. My interest in use tax has almost become an obsession. I'm sorry to say that publicly, but for over 15 years, when I was chairman of Tourism, it was because we were talking about bed and breakfast. And wanted to be able to collect the taxes on bed and breakfast. Then, when Senator Ben—Speaker Ben—invited me onto the Appropriations Committee, I started to look at the CRERs and the collections. And you see how much is collected in gross receipts tax and how much is collected in use tax. Even 15 years ago, we were calculating gross receipts tax at anywhere between \$50 and \$60 million a year per percentage. And fifteen years ago, we were asking about the possibility of taxing Amazon for all that it was bringing in, and any other

companies mailing in stuff. Unfortunately, they were claiming they couldn't apply the tax for us because they had no authority. Besides that, they said they had too much trouble handling the exemptions. So when I became chairman of Appropriations, I asked the Office of Public Accountability to please look into the issue of use tax. As a result, you have OPA Report 15-01, which is about the use tax. Fifteen years ago, when the auditors went out to look at operations at Customs and Quarantine, they found there was no scanning ability and no electronic means of retaining records. They were collecting boxes of invoices and bills of lading at the rate of 28 to 30 boxes a month. We looked at two days of collections at that time—October 12 and I think December 12—and found that for those combined days, the amount of the bills of lading came up to almost \$21 million. That's like \$10 million a day. That was over 10 years ago. During the COVID era, we did another audit, I think we made another one, OPA Audit 20-01. I was wondering how much was coming in on that 747 that was landing, and I think I got some number from the airport, though I can't remember exactly what it was. But we were estimating we were losing millions and millions of dollars. When you look at it, the gross receipts tax was almost \$300,000 a year at 4% and 5%. But the use tax, since I've been Chairman on the Appropriations Committee 16 years ago, has never gone above \$700,000. They're supposed to be collecting percentage for percentage. Maybe it wouldn't make \$50 or \$60 million a year because it's not as much as what's being collected here on Guam, but there was a period where, and I think now, most of the stuff was coming in. One of my friends even actually has Amazon deliver his paper towels. People are living off just Amazon Prime. It's gone crazy. Brick-and-mortar stores are closing. But Customs and Quarantine, at least in the last audit we did, are still collecting in boxes—probably more than 30 boxes a month now. Certainly more than \$10 million a day, but we don't know. I was also interested in this because of the tobacco tax and the alcohol tax, but that aside, I was really really elated two legislatures ago when Senator Muña Barnes got the initial authorization to allow this system to be procured. I have been dogged in following up with the administration to the point where they see me and say, "We tried, We tried." I know all the Customs directors have said they tried, but they couldn't get it through because of questions about authority to accept money from the United Nations, and our political status, or procurement problem didn't go through. It wasn't moving fast enough and it fell through. We've got to do

something—either move through with this system or invest in it ourselves. The amount of money we’ve lost since this issue first came up 10 years ago could have paid for this system 10 times over. This “wait, wait, wait and do anything” has to stop. I support the intent of getting a system in place—something in the 21st century. I may not be able to turn it on, I may not be able to go into it, but I’m sure they can get OTECH and some other technical people—get an eight-year-old to come in and show them how to handle it. Kids are very savvy with this. We need to do this. We’ve lost too much money over the last several decades. The use tax has been in effect for almost 40 years. The amount of money we’ve lost is unconscionable. The damage it is doing to brick-and-mortar businesses on island—because everybody is using Amazon, Walgreens, Etsy, and whatever—and we can’t collect the taxes when they send it in, could fund quite a bit of operations. I ask the Legislature to expeditiously pass this bill. If this doesn’t work, then invest. Just bite the bullet and say we’re going to pay for a system and invest for it out of the General Fund. Take it as a loan from the rainy day fund or something, but do something because we cannot continue to bleed this much money every year. It could be as much as \$150 million a year. Even if we don’t collect the \$50 or \$60 million that gross receipts tax is collecting now, it could have collected \$30 or \$40 million. Whatever that amount is, it’s six figures in any way you cut it. Please make the investment, and make it as soon as possible. Thank you.

SENATOR JESSE A. LUJAN, CHAIRMAN: Thank you, Public Auditor. I appreciate that. Again, the audits may make it seem that CQA is not doing its job with the audit. But as the oversight chair having worked closely with Chief, Johnric Mendiola and Colonel Frankie Gutierrez, and all these amazing men and women who watch our borders, it’s not that they’re not doing their jobs. It’s about giving them the right tools to do their jobs.

BENJAMIN J.F. CRUZ, PUBLIC AUDITOR, OPA: Please don’t interpret that as us saying they’re not doing their job. We went up and say them. When we were doing another audit and needed documents, they went through 400 boxes. They had 16 officers pulled off the line to pull stuff out of boxes so we could try to show how much was being collected in alcohol tax. They shouldn’t have to do that. It should just be something you entered.

SENATOR JESSE A. LUJAN, CHAIRMAN: You know, just a couple months ago, I wasn't able to attend, but I had Senator Borja attend for me in Palau alongside Customs and Quarantine. I believe BSP was there as well. I think in the first quarter in Palau's and look at their implementation, the first quarter of Palau's implementation, I think their collections went up about 21%. That was just a rough number, but roughly their collections increased 21%. So you can imagine—30 boxes, maybe more now—but that's why we're giving the men and women the tools to do their jobs. We'll go down the line. John Rick.

JOHNRIC MENDIOLA, CUSTOMS OFFICER SUPERVISOR, CQA: Senator, I'll yield to the Director and the Chief first.

SENATOR JESSE A. LUJAN, CHAIRMAN: Mr. Director, go ahead.

IKE Q. PEREDO, DIRECTOR, CUSTOMS AND QUARANTINE AGENCY: *Håfa Adai* and good morning, Mr. Chairman and members of the committee—Senator Ada, Senator Borja, Senator Gumataotao, Senator Barnes, and Senator Calvo. I am Ike Q. Peredo, Director of the Customs and Quarantine Agency, and I am pleased to provide testimony in support of Bill 234-38, a measure introduced by Chairperson Lujan and co-sponsored by Senators Muña, Borja, Dueñas, Parkinson, San Agustin, Gumataotao, Calvo, Salas Matanane, and Speaker Blas. The bill's intent is to address the imperative need to reform, modernize, and automate the current antiquated customs operations, practices, and procedures on Guam. Bill 234-38 grants Customs and Quarantine Agency clear legal authority to adopt the Automated System for Customs Data, globally recognized as ASYCUDA, as Guam's official customs management system. Furthermore, it authorizes the agency to enter into intergovernmental agreements, memoranda, and other requisite legal instruments with the United Nations Conference on Trade and Development (UNCTAD), the proprietary owner of this management system. If enacted into law, this bill will significantly complement existing customs reform legislation, specifically Public Law 35-105 and Public Law 37-82, which initiated modernization of customs processes in preparation for the digital age. The use of ASYCUDA will enhance CQA's efficiency and effectiveness in identifying fraud and illegal smuggling, strengthening risk and trade assessment, providing real-time accountability of goods for customs entry,

improving customs inspection fee collections, and optimizing resource management. For the Government of Guam, ASYCUDA would be capable of gathering and compiling real-time statistical trade information to inform policy decisions and improve identification and collection of revenue on existing taxes. For our stakeholders and the public, the system will foster transparency, predictability, simplification of clearance processes, digital access to goods clearance, and an overall improvement of Customs clearance processes compared to our current manual operation. The fundamental question before us concerns the rationale of ASYCUDA. To understand our support for this system, we must explain the origin of this system used by over 100 countries around the world. It was first developed in 1981. The UNCTAD, ASYCUDA was initially established to compile trade statistics. In its inception, it was soon recognized that the most appropriate and well positioned governmental organization or entity to capture, collect, and manage this task, comprised customs officials, given their inherent duties to regulate cross-border activities. Since its initial iteration, ASYCUDA has evolved to encompass other facets and capabilities of cross-border trade facilitation. Based on the specific needs of customs administrations, we added growth of abilities of the system. Among other elements that has contributed to its expansion of the system includes electronic data interchange, innovations in logistics, public needs, and incorporation of globally accepted instruments developed by the World Customs Organization, such as the SAFE which is Standards, Secure and Facilitate Global Trade framework, and the Harmonized Commodity Description and Coding System, as well as codes and standards developed by the International Organization for Standardization. Has led to the current system....

[Broadcasting was interrupted during the remainder of Director Peredo's testimony due to technical issues. Testimony resumes with the Chief of Customs and Quarantine midway through his testimony.]

VINCENT S.N. PEREZ, CHIEF, CQA: not the federal government. This means that Guam Customs performs the full federal customs mission locally, enforces both federal and local laws at our borders, acts as a collaborator for numerous federal and territorial agencies including agriculture, public health, revenue and taxation, environmental protection, homeland security, and others, conducts inspections, seizures, investigations, and arrests related to customs, narcotics,

fraud, and prohibited goods. Despite this expansive responsibility, Customs has historically relied on manual, paper-based, and fragmented systems that no longer match the scale, complexity, or security demands of modern border operations. Bill 234-38 addresses this gap. ASYCUDA is not an experimental system. It is a globally deployed customs management platform currently used in over 100 countries, including many small island and developing economies with trade and enforcement profiles very similar to Guam. Most importantly for this Legislature, Guam's delegation recently conducted an on-site operational study of Palau's ASYCUDA system where it was observed functioning in real time, not in theory, but in daily practice. Palau's experience demonstrated that ASYCUDA transitioned customs operations from paper to fully electronic processing, enabled real-time data capture and reporting, automated duty and tax collections, implemented risk scoring to target high-risk cargo, integrated customs with revenue, immigration, and biosecurity functions, and resulted in documented increases in revenue collection estimated at around 27%. This is not a projection. It is an observed outcome. During the Palau study and internal Guam discussions, it was repeatedly acknowledged that Guam may currently be missing between \$60 million and \$110 million annually in border-related taxes and fees due to manual processing, delayed declarations, inconsistent data, limited audit trails, and gaps in air cargo, postal, and courier processing. ASYCUDA directly addresses these issues by automatically calculating duties, fees, and taxes, preventing release of goods without proper declaration, creating permanent digital audit trails, allowing Revenue and Taxation to access accurate and real-time import data, and supporting compliance, enforcement, and post-entry audits. Bill 234-38 is therefore not simply a customs bill. It is a revenue protection and fiscal integrity measure for the Government of Guam. Border security, public safety, and risk management: Customs is Guam's first line of defense. Today's threats include narcotics trafficking, weapons and prohibited items, biosecurity risks, communicable disease, terrorism-related threats, and illicit financial flows. ASYCUDA enhances border security by enabling advanced cargo information, automated risk profiling, targeted inspections, integration with X-ray and inspection technologies, and data-driven enforcement decisions. This allows customs officers to focus their limited resources on the highest-risk shipments rather than expending time on low-risk compliant trade. Whole-of-government integration is a key strength of this

bill. One of the most important findings from the Palau study, and a key reason this bill is so critical, is that ASYCUDA only succeeds when implemented as a whole-of-government approach. That is why it was essential that this effort included members of the Guam Legislature, the Office of Technology, the Department of Revenue and Taxation, and the Bureau of Statistics and Plans. Their participation ensured that ASYCUDA will integrate with Guam's IT architecture, support statistical reporting and economic planning, align with tax administration systems, and comply with legislative intent and oversight. Bill 234-38 formalizes that coordinated approach. This bill positions Guam for the future. The passage of Bill 234-38 will modernize Guam Customs operations, improve revenue collection and compliance, strengthen border security, reduce costs and delays for legitimate trade, increase transparency and accountability, align Guam with international customs standards, and enhance Guam's leadership role in Micronesia and the region. Most importantly, it ensures that Guam Customs has the tools required to fulfill the responsibilities that federal law already places on our shoulders. In conclusion, Chair and Honorable Senators, Bill 234-38 is necessary, timely, and responsible. The evidence is very clear. The risks of inaction are substantial. The benefits of modernization are measurable and proven. On behalf of the men and women of the Guam Customs and Quarantine Agency who carry out this mission every day, I respectfully urge the Legislature to pass Bill Number 234-38. I am subject to your questions. Thank you and *Si Yu'os Ma'åse'*.

SENATOR JESSE A. LUJAN, CHAIRMAN: Thank you very much, Chief. Chief, I want to also commend you for your leadership and again through your initiative and your team's initiative, this bill is coming forward. Thank you very much. Captain.

JOHNRIC MENDIOLA, CUSTOMS OFFICER SUPERVISOR, CQA: *Hafa Adai* and good morning Senator Jesse Lujan, Chairperson of the Committee on Transportation, Tourism, Customs, Utilities, and Federal and Foreign Affairs, and Senators of the 38th Guam Legislature. I am Johnric Mendiola, Customs Officer Supervisor with the Guam Customs and Quarantine Agency. I'm here to testify in full support of Bill Number 234-38 introduced by Senator Lujan and co-introduced by Senators Muña Barnes, Borja, Dueñas, Parkinson, Agustin, Gumataotao, Calvo,

Salas Matanane, and Speaker Blas. The customs administration processes in Guam, established when control was granted to the local government in the 1950s, are significantly outdated. Despite the substantial growth in cargo volumes through our air and seaports, the methods of clearing, accounting, auditing, evaluating, determining, and reconciling entered goods have remained virtually unchanged from that era. For the past 75 years, the Customs and Quarantine Agency has relied on an outdated manual and unautomated system to review and clear goods. This system is used for determining admissibility, enforcement, regulatory compliance, taxation, auditing, and other crucial customs and quarantine purposes. All manually, all through ledgers, all through boxes. The volume of incoming freight makes this manual review process extremely challenging. CQA personnel must physically review immense amounts of documentation attached to over 900 sea containers and 200 tons of air freight arriving weekly, a time-consuming process vital for ensuring the safety of our island. We still do it. Furthermore, this manual system fails to capture valuable economic and statistical information contained within these documents, resulting in a critical data deficit. Globally, this form of manual customs entry submission and clearance is no longer accepted even in many least developed countries. Almost all customs administrations worldwide have implemented automation initiatives to enhance their processes, improve risk assessment capabilities, capture essential data, and create a more user-friendly environment that encourages trade. As mentioned, countries within our own region, including Palau, the Marshall Islands, and the FSM, have all automated their entry clearance facilitation process using the ASYCUDA system. And I didn't include this, but it's quite ironic that a lot of the goods these countries are receiving are actually coming through Guam before making their way there. Again, I support Bill 234-38, which if enacted would adopt the United Nations Conference on Trade and Development's Automated System for Customs Data, ASYCUDA, as Guam's official customs management system. While multiple factors have stalled the Guam government from implementing an electronic customs-focused platform like ASYCUDA to replace the current manual and outdated process, I want to use this time to express my specific reasons for advocating for this legislation. The return on adopting ASYCUDA will provide the government enhanced risk assessment and compliance. Implement an automated, integrated, and analytical system utilizing current technology algorithms and smart software to improve risk and

threat assessment, identify goods for physical or regulatory inspection, detect fraud and non-compliance, combat smuggling, and ensure internal transparency. Improved revenue collection and reconciliation significantly enhances the assessment, recording, collection, and reconciliation of existing taxes. This has too many times been addressed by the Guam Public Auditor and UOG reports. Third, generates real-time trade data, compiles accurate, concise statistical trade and economic information using the HS system for real-time reports essential for policy and economic planning. Facilitates government information sharing. Share compliant customs information with authorized government users for their own policy evaluation. Accelerates clearance and minimizes costs. Improve and speed up customs clearance through information technology and electronic data interchange, streamlining procedures and reducing costs for both internal and external stakeholders. Bill 234-38 designates ASYCUDA as Guam's system, allowing engagement with UNCTAD and exempting these agreements from local procurement laws. Engaging with UNCTAD is a judicious decision. Despite the availability of for-profit companies, UNCTAD is the optimal choice for Guam's automation needs. For over 40 years, this intergovernmental body has continuously evolved ASYCUDA to meet global standards and create a robust, affordable platform delivering specific benefits that include a system capable of handling manifests, electronic declarations, and goods accountability; the capability to generate detailed information on trade activity for utilization in economic analysis and planning; a system that is pre-aligned with all international codes and standards relevant to customs processing established by the ISO, the World Customs Organization, and the United Nations; the ability to configure to accommodate Guam's unique requirements such as our duty-free status, our customs regulations and statutes, and following initial configuration remain fully adaptable to any subsequent changes in customs processes, regulations, and legislation; demonstrating affordability and a positive return on investment; the utilization of electronic data interchange between users and customs administration; a team comprised of specialists and technical experts possessing a customs or border management profile and experience in customs management automation development; interoperability with other government systems and a pathway for transition to single window systems; and finally, its established reputation and extensive global distribution evidenced by its adoption in over 100

countries worldwide, including numerous Pacific island nations. It is for this reason that I reiterate my support for Bill 234-38 and extend my appreciation for all those Senators who have supported this and other measures that provided resources and legislation needed by CQA. Thank you for the opportunity and I am available for questions by the committee.

SENATOR JESSE A. LUJAN, CHAIRMAN: Thank you, Captain. You know how ironic you say that most of the cargo our other islands receive come from Guam. So what we're not capturing, they're capturing.

JOHNRIC MENDIOLA, CUSTOMS OFFICER SUPERVISOR, CQA:They have our export trade data.

SENATOR JESSE A. LUJAN, CHAIRMAN: They sure do. OPA, maybe no comment. Okay, we'll go ahead with BSP.

MATTHEW SANTOS, DEPUTY DIRECTOR OF BUREAU OF STATISTICS AND PLANS: *Håfa Adai*, Chairperson Lujan and members of the committee. My name is Matthew Santos and I serve as the Deputy Director of the Bureau of Statistics and Plans, and I am here to testify in support of Bill 234-38. Bill 234-38's mandate for Guam to adopt ASYCUDA is consistent with the direction the government began four and a half years ago. In May 2021, the Department of Interior Office of Insular Affairs, Guam CQA, and BSP met and determined that ASYCUDA was the solution to modernize customs management and trade data collection. We mutually understood that the Automated Commercial Environment and Automated Export System used by U.S. Customs and Border Protection was not available to Guam and would require customization for Guam's use. Second, there was no commercially available custom system available. Third, building a custom system for the Government of Guam would be outside the government's means, even with federal support. As a note on the side, when doing market research for this , we found that the minimum GDP per year for any country that had a custom system was about \$120 billion, which would be equivalent to 20 times our economy. The least amount that I found for a custom system available online was close to \$100 million all in for their full system. Lastly, ASYCUDA is the only financially viable solution to modernize.

ASYCUDA would be free to Guam and Guam would only have to cover costs associated with implementation. After meeting, it resulted in a TAP grant project with the OCO to perform a technical needs assessment, customs reform plan, and develop legislation and regulations in preparation for the adoption of ASYCUDA specifically. With federal support and agreement in this direction, we made our first official request to UNCTAD to provide Guam technical assistance to use and implement ASYCUDA on Guam on July 16, 2021. As a condition to assist Guam by UNCTAD, the U.S. State Department mission to Geneva had to explicitly approve Guam to engage the UN for this purpose. A request for approval was submitted in July 2021 and the State Department ultimately approved Guam by October 2021. By the beginning of 2022, BSP and OCO entered an MOU to start this project. All major deliverables for phase one were completed over a year ago. Unfortunately, progress following the completion of phase one was stalled by two factors: Financing. ARP funds could not be obligated in time and our second grant was not sufficient to fully fund the project provided by UNCTAD. Second was procurement. There was not an existing Guam procurement method to procure services from UNCTAD that UNCTAD legal would accept, and we had never procured services through a contract by a third party that was actually offering the services. Fortunately, this Legislature has come to the assistance in overcoming our financial and procurement challenges if this bill is passed. Before I close, I do want to state that ASYCUDA is not just a solution because it's what we can afford. ASYCUDA will fulfill the objectives beyond digitization of forms. It includes reduction in bureaucratic friction. Currently, manual processes and outdated systems create bottlenecks at our ports. ASYCUDA automates the manifest and declaration process, significantly reducing the time it takes for goods to move from the dock to local shelves. Combating illicit trade. ASYCUDA includes sophisticated risk management modules. Instead of inspecting every container, which is impossible and slows down commerce, the system uses data to flag high-risk shipments for inspection, helping keep drugs and contraband out of our community. Regional interoperability. Our neighbors in the FSM, the Marshall Islands, and Palau have already successfully transitioned to ASYCUDA. For Guam to remain the hub of the North Pacific, we must align our digital trade standards with our regional partners to facilitate seamless transshipment and logistics. Revenue enhancement and transparency. By automating the calculation of taxes

and permit fees, the Government of Guam can ensure revenue collection while reducing the potential for administrative errors and corruption. High-fidelity trade statistics and enhanced economic statistics. Guam will finally have complete, detailed, accurate, and available trade statistics. This will also improve the reliability and timeliness of key information for other economic statistics, including estimates of household consumption of durable and non-durable goods, serve as a primary source for estimating construction and equipment in business investment, which is private fixed investments, be a critical indicator for validating government investment, and allow changes in private inventories to be estimated as a fifth component of Guam's GDP. Data-driven decision-making. For the first time, Guam will have access to precise real-time statistics. This data will be invaluable for local businesses and policymakers when planning for economic diversification. Lastly, custom single window. The custom single window is a facility that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfill all import, export, and transit-related regulatory requirements related to biosecurity, environmental protection, and public health. ASYCUDA provides the software infrastructure to handle the complex electronic data exchange required to make the system communicate with banks, shipping lines, and government regulators. So instead of a business owner physically visiting the Department of Agriculture, Guam EPA, Public Health, Customs, and then the Port, they could ultimately submit everything digitally at once. Before I close, I want to touch on two subjects, and one is whether this will fully fix issues like use tax. I'm not sure if it was discussed but the postal service is still going to be an issue even with the system in place. Most states have implemented an economic nexus. The economic nexus is a legal standard in U.S. state tax law that requires businesses to collect and remit sales tax or use tax based solely on the volume or value within the state even if the business has no physical presence. This concept became widespread following the 2018 U.S. Supreme Court decision in *South Dakota v. Wayfair*, which overturned the previous physical presence requirement. As a result, all states with a general sales tax or use tax have enacted an economic nexus law. A lot of these remote seller agreements or those types of agreements that used to have with companies Air BnB, BRBO or Amazon were no longer necessary after the implementation of those. So compelling them to remit any type of tax related to that shipment, we would have to have some of

those first. The system itself would not enforce those arrangements. At the beginning of this project, the former Director of Revenue and Tax and I went to Saipan to see how they did it. Their customs agents, who are also revenue agents, stand outside the post office and make individuals fill out forms and inspect receipts before they leave, and that has been their route. That's not feasible here, especially with home delivery and other methods of delivery. So I do wanna say that's not going to be an issue. I think the Public Auditor kinda overlooks the amount of work that went into this. Because automating is the right thing to do, but doing it right is critical because we don't want to roll out a system that might be detrimental at first and take a long time to roll out. We want to do it right from the start. Thank you for having me today and I hope you understand the benefits of the bill you proposed and its benefits to the government and the public.

SENATOR JESSE A. LUJAN, CHAIRMAN: Thank you. Actually, in the findings, I was surprised to see that Guam's number one export is beer.

MATTHEW SANTOS, DEPUTY DIRECTOR OF BUREAU OF STATISTICS AND PLANS: And tobacco.

SENATOR JESSE A. LUJAN, CHAIRMAN: And tobacco comes in second.

MATTHEW SANTOS, DEPUTY DIRECTOR OF BUREAU OF STATISTICS AND PLANS: Yes, it's beer, tobacco, and used cars.

SENATOR JESSE A. LUJAN, CHAIRMAN: Okay, Go ahead.

MICHAEL FORD, OFFICE OF TECHNOLOGY: *Håfa Adai*. My name is Michael Ford with the Office of Technology. I'm here to represent OTECH in the implementation of the ASYCUDA system for Guam Customs and Quarantine Agency. We are in full support of this new system for the Customs and Quarantine Agency. We're excited to assist Guam Customs and Quarantine in their new era of data modernization. Following the successful trip to Palau and observing their ASYCUDA implementation, we identified key items to pay attention to in implementing this system. I would first say this testimony was more written for Customs and Quarantine, but hearing that we were invited to speak, I wanted to provide this for you as well.

SENATOR JESSE A. LUJAN, CHAIRMAN: Could you restate your name?

MICHAEL FORD, OFFICE OF TECHNOLOGY: My name is Michael Ford with the Office of Technology. We identified key points for implementation for this new system for Customs and Quarantine Agency. We have our predictions of project expectations, ASYCUDA architecture how it was set up in Palau and how it would be similarly set up here in Guam, API integration between payment systems and current systems that Customs is using for their payments and how to integrate that with the new system, we also want to touch on the ASYCUDA internal application user security, low bandwidth internet connections at Customs and Quarantine sites, obsolete network LAN switches, network infrastructure improvements are what they need, we've also identified some items with IT support such as establishing on-site IT staff CQA, and identifying some OTECH responsibilities. So, in our prediction of project expectations, these are subject to change. This is based on former projects that we worked on that are similar with similar architecture rolled out. So to start off we the they in our presentation in Palau the Asycuda engineers or experts actually provided hardware and support and setting up the system. So their engineers would actually come in and implement the hardware. So it'd be a smooth roll out with somebody who knows the system inside and out. and we will definitely be there to support and make sure that everything goes smoothly. So the Asycuda engineer would recommend provide hardware that meets OTECH minimum hardware specifications. We'll just make sure that they're compliant with you know cyber security and you know laws that are make sure their system is up to date and secure. where OTECH is there to aid by receiving and installing any supporting physical hardware. Asycuda engineers will install the Asycuda application and database environment on virtual machines within the Office of Technology data center. These are servers that are virtualized on physical hardware. OTECH is to assist in the project timeline regarding hardware software installation and Guam.gov network connectivity. We're here to OTECH is to support connectivity requests regarding ASYCUDA engineers access. the Guam CQA will work with the ASYCUDA engineer on developing Guam specific customs modules within the ASYCUDA environment because you've got Palau and all these other countries that have specific processes and the ASYCUDA engineer will actually develop those customs modules specific

to what our needs are versus having a specific template and then just rolling that out and then you know we do what we need to do with it. They're there to assist with any kind of system that they need. So Guam CQA would develop policies, procedures and training processes for the ASYCUDA applications with the assistance of the ASYCUDA engineer as well. Make sure their staff is trained to use the system. Anyone who is logging into the system will have some kind of instruction on what they need to do to move forward with this process. Guam CQA will need to coordinate interagency communications with revenue and taxation and/or Department of Administration regarding how incoming payments and data exchange will be handled. The API integration with the ASYCUDA system will depend on this outcome. How the payments will go through the new system. And I realize that some of this can be a little technical so bear with me. So OTECH will configure rules on our firewall to ensure that the website for the ASYCUDA system is available for local users and government users. This step would likely be implemented after user acceptance testing between ASYCUDA engineers and Guam Customs and Quarantine Agency. Guam CQA, OTECH and ASYCUDA will work together with the existing vendor who's hosting the Customs and Quarantine website to install and test the login portal for this new system so that it's available for anyone who needs to use it. So those are the project expectations of what we would see the timeline would be. Of course it's subject to change when we make first contact with the engineers. So as far as the architecture in Palau, their ASYCUDA system is housed on site on physical hardware with virtual machines, virtual servers. They have a 30 megabyte per second internet connection that supports it and they have no issues. They have replication of the system so that in the event the main system goes down they have a backup system that will come up to support it, things like that. Basic technology standards. So they have a ASYCUDA portal accessible from their Customs website as we mentioned before and they have multifactor authentication for cybersecurity into their portal. So for Guam's architecture, it would be a very similar setup. It would be, we would recommend that it be housed on site with virtual machines and our internet connection is higher than theirs. And of course we have more people on this island. So we'll have to absolutely make sure that everything goes smoothly with the connections there. But we don't foresee any issues there. Their application portal can also be established through OTECH's firewall and we recommend to follow

their multifactor authentication and their backups and replication processes. They did mention that their server and virtual environment were provided with the ASYCUDA installation package, the physical hardware. If it's offered to Guam as well, we would recommend moving forward with that same package. They did mention that there is a cloud option but issues may arise with that cloud hosted option in which data is stored outside of the country in Fiji, Malaysia and we would need the data to be stored locally. So the cloud option would only be possible if the data resides within the United States. And in the event the hardware package is not offered to Guam, we must be wary of the possibility of procuring additional equipment and licensing and any hardware that would be procured must be TAA compliant. So for the ASYCUDA system, OTECH will request a technical call to establish expectations, deliverables, and a project timeline regarding the installation of the ASYCUDA server architecture. And of course, this is if this bill is passed by everyone. So as we mentioned before with the payment system integration CQA currently receives incoming payments through a TPS payment system integrated with the AS400. Guam CQA will need to coordinate interagency communications with DRT and/or Department of Administration regarding how incoming payments will be handled and the API, which is application programming interface between the two systems, will depend on that outcome and the ASYCUDA engineer will assist in developing that inter-application between those two systems. Okay. And as for the next point of ASYCUDA internal application user security with the cybersecurity and optimal application performance in mind there are areas needing attention within Guam CQA and any other agency that will be using ASYCUDA to support the ASYCUDA system from a guam.gov end users perspective. Agencies accessing the web-based application are highly recommended to resolve internet speed hurdles and device vulnerabilities. Items that CQA requiring attention include low bandwidth internet connections and to replace obsolete network infrastructure. So for the low bandwidth internet connections many of their offices have 5 megabytes per second with how much staff that they have. There's four locations that we've identified that they have 5 megabyte per second connections and if they're going to use a system like this, they're going to need to definitely upgrade those which we've communicated with CQA and we are in the process of working towards that regardless how this outcome goes. So they've also got outdated network

infrastructure which we've recently received an IDIQ on those. So we've provided that to Guam CQA as well. Whether or not this bill goes through, we will be upgrading those. So those will be covered. But it will require additional funding for those things and if it could be included with this implementation, that would be ideal. So, we also recommend that Guam CQA hires some in-house IT staff. So, the Office of Technology is here to assist in any IT related matters. However, we are unfortunately understaffed in assisting over 40 government of Guam agencies receiving over 7,000 tickets a year. While OTECH strives to complete help desk tickets in a timely manner, there are multiple occasions where a ticket cannot be resolved immediately due to full staff schedules. Our recommendation is to establish in-house Guam CQA IT staff. In this process, a memorandum of understanding between OTECH and Guam CQA will establish positions and expected responsibilities of in-house CQA IT staff. So for their responsibilities, they would for instance if people need password resets for the ASYCUDA portal for immediate staff and immediate issues like this network cable is broken, there's somebody on site to come and fix that immediately and it's not going to hold up any of their issues versus if they open a ticket with us, we'll handle it as soon as possible, but there may be many tickets in line before that ticket, which is why we recommend some in-house IT staff. So for our OTECH responsibilities we do maintain server operating systems and hardware backend support and configuration of their network infrastructure. So we will be there to support that as well and of course there to support the process of implementation with the ASYCUDA engineer. OTECH is here to assist in any IT related hurdles along the way and work to the best of our ability of supporting CQA to update and ready their efforts in data modernization with ASYCUDA. And please note that the items on this document are not set in stone and are subject to change and we are in full support of this bill.

SENATOR JESSE A. LUJAN, CHAIRMAN: Thank you. Thank you very much.

TOM NADEAU, CHIEF ENVIRONMENTAL PUBLIC HEALTH OFFICER OF ENVIRONMENTAL HEALTH, DPHSS: *Håfa Adai* and good morning chairperson Lujan and members of the 38th Guam Legislature. My name is Tom Nadeau. I am the chief environmental public health officer with the Division of

Environmental Health of Public Health. On behalf of Theresa C. Arriola, the Director of Department of Public Health and Social Services, we thank you for allowing us the opportunity to present testimony on Bill 234-38, an act to add a new section to Chapter 375 of GCA relative to mandating the adoption of the automated system for customs data, otherwise known as ASYCUDA. Before I continue, I'd like to apologize in advance that I would have to leave, excuse myself by noon, but I do have my staff Leilani Navarro. She is an environmental public health officer administrator and she will take my place and answer any questions you may have specific to our operations as it relates to the adoption of ASYCUDA. So with that, the Department of Public Health and Social Services strongly supports Bill 234-38. All food, drugs, cosmetics, and medical devices that are imported, distributed, and sold in Guam are regulated by the Division of Environmental Health under Title 10 GCA Chapter 40, which is the Guam Food, Drug and Cosmetic Act, to ensure that these commodities are not misbranded, adulterated or fraudulent. At present, Division of Environmental Health or DEH, we rely heavily on Guam Customs and Quarantine Agency to identify and intercept imported products that may violate the act. This process is largely manual and paperbased, limiting the ability of regulators to proactively identify emerging risks. The implementation of ASYCUDA represents a critical modernization of this process and has the potential to significantly enhance DEH's own consumer commodities program. By adopting ASYCUDA, DEH and CQA will be able to move away from manually reviewing paper manifests and instead can rely on the data-driven risk management tools of the system. ASYCUDA will allow for the automated identification and flagging of high-risk commodities such as unapproved drugs, adulterated foods, or mislabeled cosmetics for inspection while allowing low-risk shipments to clear more efficiently. This will not only improve regulatory effectiveness, but it will also reduce delays for compliant importers, thereby supporting lawful trade and economic activity. As a result, the system can greatly improve DEH regulatory effectiveness by providing advanced visibility of imported goods, improving oversight and streamlining compliance activities through access to ASYCUDA data. At the federal level, there is a similar system called the Automated Consumer Environment system, also known as ACE system, managed by the U.S. Customs and Border Protection or CBP. The import data submitted through ACE system is automatically transmitted to the U.S. Food and

Drug Administration's Operational and Administrative System for Import Support, otherwise known as OASIS, which enables FDA to electronically screen and manage its regulated products. Thus, the modernization of Guam's importation surveillance through the adoption of ASYCUDA is particularly appropriate to public health as it would provide DEH with a comparable mechanism to electronically monitor, screen, and manage the many consumer commodities it regulates. Upon the adoption and implementation of ASYCUDA by Guam CQA, DEH too can seek to modernize its operation in the regulation of consumer commodities by developing its own integrated regulatory platform that interfaces directly with ASYCUDA with of course the support of OTECH like how our counterparts in FDA interface with the federal ACE system. By doing so, this will improve data sharing, prioritize inspections based on risk, manage the growing volume of imports more efficiently, and ensure that imported consumer commodities entering Guam meet applicable safety, efficacy, and quality standards. In addition, from an overall public health perspective, the implementation of the system combined with the interface possibility with DEH, this department can expand inspection capacity at ports of entry, warehouses, and retail establishments, modernize laboratory testing capabilities, detect emerging threats such as unapproved pharmaceutical ingredients, microplastic contamination, and carcinogenic compounds in food and cosmetics, also strengthen rapid response, recall and trace back capabilities during public health emergencies linked to unsafe consumer commodities, enhance enforcement actions against repeat violators who import unsafe goods, thereby deterring bad actors and promoting fair competition among compliant businesses, and finally increase consumer education and outreach to raise public awareness about the risks associated with adulterated or misbranded products. Ultimately, these improvements directly benefit the people of Guam. A modern automated import screening system reduces the likelihood that unsafe foods, drugs, or consumer commodities reach store shelves, homes, schools, and healthcare facilities. It also allows Customs and DEH to shift from a reactive enforcement model to a preventive intelligent-driven approach that protects public health before harm occurs. In closing, Public Health once again thanks Senator Lujan for introducing Bill 234-38 along with the others from the 38th Guam Legislature for advancing legislation that strengthens Guam's regulatory infrastructure. *Si Yu'os Ma'åse*, thank you very much.

SENATOR JESSE A. LUJAN, CHAIRMAN: Thank you, Mr. Nadeau Got a few questions for our colleagues to chime in as well. Thank you for your testimony this morning. Yes, go ahead. Oh. Oh. Okay, Charlie. Charlie will testify. Yeah. Go ahead, Charlie. Identify yourself and then we'll.

CHARLIE HERMOSA: *Håfa Adai.* My name is Charlie Hermosa. I'll be brief because I think everything was already said through all the advantages of putting the system in place. Honorable Chairperson Senator Lujan, thank you so much. Senators, thank you so much for giving me the opportunity to say a few words. I support the intent and direction of the legislation. Modernization digitization of Guam's port system is not only appropriate, it is necessary for improving efficiency, transparency, and competitiveness across our supply chain, but it will finally provide a much needed tool for the men and women serving in our Guam Customs and Quarantine Agency to do their job. My comments today are offered in the spirit of strengthening the bill and ensuring its successful execution. By way of background, I previously served as the former lead of the digitization committee under the Port Users Group where I worked directly with government agencies, port operators and private sector stakeholders on the digitization initiatives. That experience informed my perspective that good policy must be matched with clear operational planning. This committee that we worked on with the Port Users Group Senator was almost seven years ago. So seven years ago is where we started this process clarifying long-term ownership and maintenance. While the bill establishes a clear policy direction, it does not specify who will own or operate and maintain the digital system once it is implemented. The reason why I say that is because in my perspective if OTECH should not be responsible in running this system. I believe that if OTECH is in charge of managing the system it's going to fail. Digitizing is not one-time effort. Sustainable systems require dedicated system ownership, ongoing maintenance, cyber security, software updates, licensing, user support, and data governance that we all know about. Without explicitly identifying the responsible entity and funding source, even well designed systems can struggle over time. Alignment. Also, I also encourage consideration of current execution capacity within our government entities, particularly IT and BSP. As a practical example, the Guam Office of Technology has faced many challenges implementing relatively simple transactional adjustments such as disabling or

modifying an online processing fee when we register our vehicles. We still can't get that thing off. I'm still getting charged every time I go in and I apply online and for some reason we can't get that corrected. This highlights the importance of ensuring that any digitization mandate is paired with clear authority staffing and technical resources. Reviewing the implementation timeline, I propose a timeline particularly that the expectations of operational readiness shortly after the 90-day period will benefit the entire refinement of the process. Based on real world experience, effective port digitization typically requires procurement or system design integration with existing platforms, multi-agency coordination, and this is where the critical is going to be very critical because the fact is that we're also mandated by CBP. So coming inbound to Guam domestic going outbound international. These systems have to be able to talk to each other and that is the most critical point. So just putting a platform together and saying that we're going to put a system and we're going to let ASYCUDA run it is not just an easy task. I completely support Bill 234-38 with the recommendations that I'm trying to put forth. I strongly support the goal of this legislation with modest refinements focused on the execution bill of Bill 234-38 can deliver meaningful long-term benefits to Guam's operations and broader economy. Thank you for your leadership and for the opportunity to provide this testimony.

SENATOR JESSE A. LUJAN, CHAIRMAN: Thank you, Charlie. And actually, you've addressed quite a few of the questions that I have as well in regards to the system, the ownership and the maintenance thereof of the system. Yeah, we can have it. We have a bill, a nice bill, but the implementation and again maintaining, you know, maintaining that is another thing is be a challenge. And of course they would have to addendums to your budget to your 26 budget actually or 2027 budget for implementation with that. But Mr. or Mr. Gutierrez.

COLONEL FRANKLIN J. GUTIERREZ JR., ASSISTANT CHIEF OF SPECIAL ENFORCEMENT, CQA: Good morning and I guess it's still morning. Good morning Senator Lujan and esteemed members of the committee on transportation, tourism, customs, utilities and federal and foreign affairs. Senators Gumataotao and Barnes *Hafa Adai*. My name is Franklin J. Gutierrez Jr. I have 32 years experience working for the government of Guam and 30 of those years have

been with customs as a customs and quarantine officer. I hold the rank of colonel and I'm currently assigned as assistant chief of the special enforcement division. I'm just going to keep this short because I think a lot of our command staff pretty much covered most of the things relative to ASYCUDA. But this modernization effort represents more than new technology. It symbolizes our commitment to efficiency, transparency, and readiness for the future. By aligning Guam systems with regional standards and learning from other nations achievements, we position ourselves and our region for stronger border security and to improve trade facilitation. And I think another important thing to consider also is Guam being outside the US Customs Border Patrol Customs Territory and we do not have access to those systems. I mean we've tried to get it. There's no way we can get access to it. Even through MOUs, there is a system called ATSG which is a passenger analysis type of targeting system and it's a global system it's kind of an old CBP system but that would be mainly for like passengers and things like that but relative to a customs a true customs management system there's really nothing available other than we design something from scratch so I believe you know ASYCUDA the ASYCUDA customs management system would be the best choice for three simple reasons. It's already established and available. It is proven and utilized by many customs agencies in the region. And it also is designed to have interconnectivity for single windows. And if the public doesn't understand what the term single windows is, it's basically a trade facilitation concept where businesses submit all their import and export documents via one online digital entry point to meet all government requirements. And I believe that's something that Mr. Hermosa had talked about, about the government not talking to each other. So I believe the fact that ASYCUDA does have the single windows module and this will be a great thing for us. And in closing by adopting the ASYCUDA we can move to a unified system to embrace a proven solution that has already strengthened our regional partners. This initiative again enhances transparency, drastically improves revenue collection. I was the lead for the Palau delegation and Senator Borja actually was with us in your place, Senator Lujan and he himself saw how a nation as small as Palau was able to within a year and a half able to transition from paper to electronic. And Guam of course is a bigger as far as containers and the products and goods that move through. But I think that's a perfect example that it works and their revenue collection I believe within the first

year was 27%. I think that's the number that they gave us. So I also urge this body to pass the bill so customs can ensure our island remains stable and a secure hub for legitimate trade. Thank you for the opportunity to give my testimony and to our oversight chairman, Senator Jesse Lujan, for introducing this bill to finally get customs out of the stone age. God bless customs and God bless Guam.

SENATOR JESSE A. LUJAN, CHAIRMAN: Thank you. Thank God your uniforms are up to date. Thank you very much again for your testimony this morning. Just a few questions. What is the real realistic timeline to implement ASYCUDA on Guam? And what are the major milestones again that we should track from contract to execution to going live.

MATTHEW SANTOS, DEPUTY DIRECTOR OF BUREAU OF STATISTICS AND PLANS: 24 to 36 months after the contract's been inked.

SENATOR JESSE A. LUJAN, CHAIRMAN: Sure.

MATTHEW SANTOS, DEPUTY DIRECTOR OF BUREAU OF STATISTICS AND PLANS: One of the challenges too is onboarding a customs expert that's going to be a resident expert here on Guam. So there's timing associated with that as well.

SENATOR JESSE A. LUJAN, CHAIRMAN: Okay. Some of the questions have been answered already, but again, what is the projected upfront cost and ongoing maintenance cost and what funding source is anticipated to sustain the system long term without compromising of course your core operations. Yeah. Okay.

IKE Q. PEREDO, DIRECTOR, CUSTOMS AND QUARANTINE AGENCY: My estimated cost is a little bit over 2 million.

SENATOR JESSE A. LUJAN, CHAIRMAN: 2 million

IKE Q. PEREDO, DIRECTOR, CUSTOMS AND QUARANTINE AGENCY: But Matt from Bureau of Statistics and Plans can give you a more specific. Okay.

MATTHEW SANTOS, DEPUTY DIRECTOR OF BUREAU OF STATISTICS AND PLANS: Yeah, that's around the same amount. I think the

contingency that they provided was like \$327,000. Okay. And we also I mean depending on if we go with this ASYCUDA next-gen which is purely cloud-based it we're going to have to invest in a limited amount of infrastructure for this system.

SENATOR JESSE A. LUJAN, CHAIRMAN: Is that an upfront cost or is that can we divide it between 27 and 28 budgets?

MATTHEW SANTOS, DEPUTY DIRECTOR OF BUREAU OF STATISTICS AND PLANS: I think that's something that we need to negotiate right because right now we have 1.2 and then we have another 750 that we can use for hardware and other upfront costs that we need to cover before they come here.

SENATOR JESSE A. LUJAN, CHAIRMAN: And the reason why I was asking this, right, and there's a couple questions here because we have budget hearings coming up and so we need to address that upfront. And so that's why I need to see how we can decipher this out and whether we look at it as '27 budget and again continuing in '28 budget. What realistically can we implement on your '27 budget versus can be delayed until the '28 budget.

IKE Q. PEREDO, DIRECTOR, CUSTOMS AND QUARANTINE AGENCY: So yeah, in addition to that, Senator, I think our estimated cost just to maintain that system from a maintenance standpoint is about 150,000 a year.

SENATOR JESSE A. LUJAN, CHAIRMAN: 150 a year.

IKE Q. PEREDO, DIRECTOR, CUSTOMS AND QUARANTINE AGENCY: Yeah. After everything is..

SENATOR JESSE A. LUJAN, CHAIRMAN: Okay.

JOHNRIC MENDIOLA, CUSTOMS OFFICER SUPERVISOR, CQA: So I see your question there, Senator. It's how once like what Matt said, once the ink is dry in the contract, how can we structure the payments for the upfront costs? How we can at least either appropriate solely through the budget requests or if it can be broken up into installments. Of course, that would all come during the negotiation

parts. Again once this bill is passed then that will allow us to formally engage in those types of discussions with the UN.

SENATOR JESSE A. LUJAN, CHAIRMAN: Yeah. And this is without compromising your core operations right I mean correct. Yeah. Yeah. Okay. And as mentioned here who owns the data generated by ASYCUDA and where will it be hosted and what cyber security standards and access controls will be required to protect sensitive trade information.

JOHNRIC MENDIOLA, CUSTOMS OFFICER SUPERVISOR, CQA: So you know yes definitely and OTCH and BSP can chime in at any time.

MATTHEW SANTOS, DEPUTY DIRECTOR OF BUREAU OF STATISTICS AND PLANS: Yeah. So part of the project is to understand data governance in relation to local from IT policies to regulations to law. So whether it's protecting taxpayer information or it's a cyber security type thing. So that's part of the assessment when they start.

JOHNRIC MENDIOLA, CUSTOMS OFFICER SUPERVISOR, CQA: Yeah. I think one of the things is that we're going to want to own the information. We understand that we are governed by other federal besides local but there's all federal laws protecting US information, taxpayer information, information on US citizens. So I think at the forefront we're going to require that all the information that is collected and is collected by customs is owned by the government of Guam ensuring that all standards and both local and federal policies with regards to governance over the data is secure and safe.

MATTHEW SANTOS, DEPUTY DIRECTOR OF BUREAU OF STATISTICS AND PLANS: Yeah. And the only data that we know of that we have to kind of put up just to participate is COMTRADE data which is import and export information but it's really reporting in aggregates that we publish. So there's no risk of revealing personal information or information in business that might compromise an industry.

SENATOR JESSE A. LUJAN, CHAIRMAN: So how would that integration happen between of course the port authority, airport authority and the other

relevant agencies environmental health agencies that will need access to the system. How would that integrate?

MICHAEL FORD, OFFICE OF TECHNOLOGY: So those agencies will be able to have login to get into the system via the Guam Customs and Quarantine website. So even agencies outside of the main agencies that Government of Guam handles, the OTECH handles their network, they will still be able to log into the system and access specific modules and information that they need to.

SENATOR JESSE A. LUJAN, CHAIRMAN: Would that information purge the information that is sensitive to again and that would, you know, information that cannot be disseminated?

MICHAEL FORD, OFFICE OF TECHNOLOGY: If it's important information like FTI PII things like that it would have to be a highly secure connection that they have things like multi factor authentication, additional cyber security based on the level of information that they're going to be accessing and most of that type of information would be internal to our network and those outside would be heightened security for those types of login.

SENATOR JESSE A. LUJAN, CHAIRMAN: So the person or persons that will man maybe this system at CQA, what are those qualifications or what does that look like because we're going to try to work this.

MATTHEW SANTOS, DEPUTY DIRECTOR OF BUREAU OF STATISTICS AND PLANS: I think that's a major activity that's part of this project proposal provided by UNCTAD is to really understand governance and controls so that will define it and ensure that we adhere to internal policies, regulations and laws that relate to privacy and governance.

SENATOR JESSE A. LUJAN, CHAIRMAN: Okay.

CHARLIE HERMOSA: And Senator also after seven years of going through this the framework already skewed what they're talking about logging in and all this we want a seamless process where the information of the shippers are inputted all the way through. And that is something that we worked on 6 years ago where we

brought in consultants, they evaluated, we made a presentation to the governor and we said the system right now at the port has dongles ready to be connected with whatever system customs is going to acquire and all you need to do is connect and the information is going to flow fluid. So this whole notion about logging in and people having access is absolutely farce because it's very inefficient. It's got to be a seamless process. And it goes back to the process. It goes back to how we're going to capture the data and the data is going to capture at the input at the origin level so that customs has the ability to have that all in the front. Should be very seamless for customs to be able to get this. We shouldn't make it hard for them. But the framework they're talking about right is already off.

MICHAEL FORD, OFFICE OF TECHNOLOGY: It's not our framework. It's the ASYCUDA framework. We're not designing this framework. It's ASYCUDA the system that exists already.

CHARLIE HERMOSA: You're going to be managing it.

MICHAEL FORD, OFFICE OF TECHNOLOGY: So we're going to be housing the architecture. We manage the server and backend infrastructure. We don't manage the application itself, which is similar to a lot of the other applications such as driver's license, things like that.

CHARLIE HERMOSA: And this goes back. Senator this goes back to every single system that we have here and they're off the shelf systems that OTECH says we don't control. They can't shut off things as easy as a little fee and we're going to turn that over to them to handle customs related issues.

MATTHEW SANTOS, DEPUTY DIRECTOR OF BUREAU OF STATISTICS AND PLANS: Yeah. And I think you're talking in relation to your exposure in Palau. So they made the decision to go with the older version of Asycuda where a lot of these things don't apply anymore. So Asycuda World NextGen kind of brings it completely to the cloud to where you're not going to require to do those things and I think that the implementation in Palau was very site specific and until we have a resident expert we won't know the most effective and efficient way to implement and

CHARLIE HERMOSA: Have you spoken to CBP

MICHAEL FORD, OFFICE OF TECHNOLOGY: And we recommend

CHARLIE HERMOSA: Have you looked at the integration with CBP where the majority of our shipments coming in domestically from the US have you seen the integration with CBP?

MATTHEW SANTOS, DEPUTY DIRECTOR OF BUREAU OF STATISTICS AND PLANS: No.

CHARLIE HERMOSA: So we're using Palau as a basis.

MATTHEW SANTOS, DEPUTY DIRECTOR OF BUREAU OF STATISTICS AND PLANS: We're not using Palau. That's what I'm trying to clear up. So at the end of our

SENATOR JESSE A. LUJAN, CHAIRMAN: Address the chair, please address the chair. Thank you,

MATTHEW SANTOS, DEPUTY DIRECTOR OF BUREAU OF STATISTICS AND PLANS: Mr. Chair. Yeah. This Palau exercise was really just to be about exposure to it, but it was not supposed to define exactly what we're going to do. So I think a lot of these details will be explained and understood as part of the project that we can't really discuss right now because they're going to be addressed in a best practice fashion and be done by experts, right?

MICHAEL FORD, OFFICE OF TECHNOLOGY: And we recommend the cloud infrastructure. The only reason we're suggesting the onsite is so that the data resides within the United States applicable to the laws. So the cloud option that they have their data is stored in Fiji and Malaysia. Now if they can procure a cloud option, no that's what according to the ASYCUDA engineers who presented it to us while we were on site. They did say that the data would be stored in Fiji and Malaysia. But if the data can be stored within the United States, we highly recommend the cloud option. That's the only reason why we presented the onsite.

SENATOR JESSE A. LUJAN, CHAIRMAN: Thank you.

VINCENT S.N. PEREZ, CHIEF, CQA: Mr. Chair, if I may. So in discussions with ASYCUDA and the Oceania Customs Organization, we were actually discussing and asking questions about cross platform communication with entities like the US Customs and Border Protection and their program being used like the automated customs environment. And to answer the question, yes, we can. It's just a matter of making sure that in our collaboration with UNCTAD and the ASYCUDA folks that come out here that the modules are able to cross communicate across platforms. So it would be asinine if we were going to go into a system and there was no cross communication. So to the point that Charlie's trying to make is that these are the things that once the resident experts from UNCTAD come out, they're going to dig through the weeds with us. They're going to meet with all our stakeholders to include port users group, the different regulatory entities, and they're going to ask what is it that you would like to see the system do? What is it? And we will be asking questions like what kind of safeguards are available? How does this cross communicate with other platforms? What are the security issues that we're going to face? Are there any? How can we protect it? So with that being said, we're not going into this blindly. We're going into an agreement with the United Nations that actually has this ASYCUDA program that is well over 40 years old. So I'm pretty sure that the communication issue that we're talking about is probably moot or very minimal. Thank you.

MICHAEL FORD, OFFICE OF TECHNOLOGY: And can I add to something? So, Mr. Charlie, Hermosa, right? He is absolutely correct in finding ways to keep the contingency for applications like this and the thing that really comes down to is planning and funding from the agency who is procuring the application. So the office of technology is here to assist in anything that any agency needs to make things better for the public and the agency in a whole. And to keep these things going there needs to be adequate funding for things like upgrading existing hardware, their network infrastructure if it's a cloud-based option, things like that. There's a lot of hurdles like this that we run into and I just wanted to comment on that that it's not a lot of these failures are not as a result of negligence of staff it's of funding and planning by the agencies and I just wanted to make that clear

SENATOR JESSE A. LUJAN, CHAIRMAN: And and thank you for that as well and that's why again in implementation of the program we want to make sure that we get this right and do this right to be inclusive of the funding source Because again, we're going to be starting again budget hearings here shortly and we want to make sure that you know we what we can provide for the 27 budget is there for for you folks. And I know the Office of Public Accountability, BJ. Their ballpark 2 million to implement this program given your of course your obsession with use taxes, right? Do you think the investment is worthwhile again for implementation for the island?

BENJAMIN J.F. CRUZ, PUBLIC AUDITOR, OPA: At the very least, yes. And another thing, Mr. Chairman,

SENATOR JESSE A. LUJAN, CHAIRMAN: I wanted to get you on record with saying that.

BENJAMIN J.F. CRUZ, PUBLIC AUDITOR, OPA: Yes. No, any amount that's needed. In fact, if it's going to take 24 to 36 months to implement this because of the whatever it's going to in the next budget include a nextgen scanner. For them. At least they cannot be storing 400 boxes a year. It's a fire hazard and it's just unbelievable that they have if you ever been to the warehouse. I mean, it's frightening.

SENATOR JESSE A. LUJAN, CHAIRMAN: No. I and I hear you and again that's why we have this again the performance-based budgeting and of course the CQA needs to be up to par in the performance but if we can't provide them and we don't provide them with the funding and the tools and mechanism to perform they will continuously underperform if not given the tools and mechanism. So we want to get you on record of that and we want to put this system

BENJAMIN J.F. CRUZ, PUBLIC AUDITOR, OPA: At least even before then. Yes. Just include in their budget something where they can scan all the material that they're inputting. I mean they receive from all their different points of contact with the public because if it's going to take 36 months you're losing another 100 million.

SENATOR JESSE A. LUJAN, CHAIRMAN: I hear you. Thank you. Yeah. Let me let me get the again because the budgeting right at Customs was little disturbing a couple days ago of course in a hearing. I want to ask customs budget execution and lapse funds because it matters for both of course accountability and planning. According to the consolidated revenue and expenditure report submitted to BBMR for the FY24, it appears that Guam Customs and Quarantine had a general fund lapse of approximately 2.2 million based on September 2024 CRER. At that time, based on the agency's special fund tracking report, as of September 2024, it appears there was an average of approximately \$900,000 for FY 2025. And the September 2025 CRER shows a general fund lapse balance of approximately \$2.5 million. Are you aware that these general fund appropriations are lapsing at this level? Mr. Director?

IKE Q. PEREDO, DIRECTOR, CUSTOMS AND QUARANTINE AGENCY: Thank you for that question, Mr. Chair. Yes, we noticed that in our budget forecast based on the expenditure report, but based on the information that I've got, they're telling me that that is not a true figure until the audit is performed for FY 2025. So, that's the information that I'm being relayed to by the fiscal policy at the front office. And I have my ASO here. So she can just come up and ascertain that that's the information that we have. Let them know your name.

CLARICE BRIGGS, ASO, CUSTOMS AND QUARANTINE: Good afternoon. My name is Clarice Briggs. I'm the ASO for customs. I do show lapse on the general fund for fiscal year 25 unaudited at this time 2.9.

SENATOR JESSE A. LUJAN, CHAIRMAN: I'm sorry. Go ahead.

CLARICE BRIGGS, ASO, CUSTOMS AND QUARANTINE: I'm sorry. 2.9 for general fund and for the special fund I have 1.8.

Okay. Okay. What's driving these lapses? Are they vacancies, delayed procurements, delayed allotments or other extreme barriers? What is driving these lapses?

CLARICE BRIGGS, ASO, CUSTOMS AND QUARANTINE: Variety but majority of it is procurement.

SENATOR JESSE A. LUJAN, CHAIRMAN: Procurement. Okay. Are they large procurements, small procurements?

CLARICE BRIGGS, ASO, CUSTOMS AND QUARANTINE: Yes, they are large.

SENATOR JESSE A. LUJAN, CHAIRMAN: Large and small or large procurements?

CLARICE BRIGGS, ASO, CUSTOMS AND QUARANTINE: Both. We have several that an example is our X-ray that was 101 for last fiscal year we did put in however GSA did not fulfill that so we had to redo it for 26. It was encumbered.

SENATOR JESSE A. LUJAN, CHAIRMAN: Okay I mean I know we this I think we gave you 250,000 for your canine unit too for your for feeding and care vet care

CLARICE BRIGGS, ASO, CUSTOMS AND QUARANTINE: Yes But it is not available at this time. It was not loaded.

SENATOR JESSE A. LUJAN, CHAIRMAN: It hasn't been loaded? What is the delay? What are they saying about that? I mean, you got starving dogs. I mean, you have more dogs coming to, don't you?

CLARICE BRIGGS, ASO, CUSTOMS AND QUARANTINE: Yes, we have nine coming in.

SENATOR JESSE A. LUJAN, CHAIRMAN: Nine more dogs coming.

JOHNRIC MANDOLA, CUSTOMS OFFICER SUPERVISOR, CQA: Senator, can I just add that we picked up our last set of bags and our K9 unit is anticipating January 25th when we're going to run out of dog food.

SENATOR TINA MUÑA BARNES: Mr. Chair, if I may interject, please. It's really important as we're listening to this right now. We're looking at we just heard from the ASO that encumbrances were made. So, where is the gap? Where is it from are we holding contracts? Is there any other government entity holding up the

funding source for you guys to facilitate through? What's what the encumbrances are?

CLARICE BRIGGS, ASO, CUSTOMS AND QUARANTINE: Funding source is available. It's GSA is not fulfilling it.

SENATOR TINA MUÑA BARNES: So you're saying that GSA so the agreements that are supposed to be facilitated through GSA is not coming through. Is that boggled from the contracts other signatures needing to be put on those encumbrances or those contracts or those agreements?

CLARICE BRIGGS, ASO, CUSTOMS AND QUARANTINE: A lot of these are from bid through bid. So it's the delay.

SENATOR JESSE A. LUJAN, CHAIRMAN: You know it's totally unacceptable for a critical agency and I mean we don't want to go down this road in procurement again for this situation here and as it is you have 24 to 36 months for implementation this program alone not to mention the bureaucratic situation that may happen that's going to be another four or five years till this you know and then the costs will be driven up even more. That's totally unacceptable. Yeah. And I don't know what to say at this point because there is money there and the execution to give you the money to be able to do your jobs is again to a crucial agency. Anyway from the customs perspective, is the legislature appropriating more general fund money the agency can reasonably execute or are there constraints on the administration side to prevent customs from accessing the funds on time. So, you know, I mean, we're trying to get to see where the hold up here is because we can give you the money, but if the administration is keeping you from getting the money, we need to find out where it's at, where it's locked up at because our only job here is to give you the money. We're the purse strings. We're giving it to you. And if it's stuck somewhere, we need to find to, as they say, unstuck it. Is it on the administration side? Is the agency side? Where is it so we can hunt it down and give you guys the money?

IKE Q. PEREDO, DIRECTOR, CUSTOMS AND QUARANTINE AGENCY: Mr. Chair, I can respond to that because I've made inquiries within the department

of administration and all the time that I request I wanted to find out if the agency have lapses then we should use our lapses for whatever appropriation that was made for us. But in this instance, what they're telling us is that you're showing lapses, but until those lapses are unaudited right now and until the audit is completed, that's when they will release the actual amount of that particular funding source. And that's why the ASO mention

SENATOR JESSE A. LUJAN, CHAIRMAN: Auditor, Public Auditor, can you help us out?

BENJAMIN J.F. CRUZ, PUBLIC AUDITOR, OPA: It's not my audit.

SENATOR JESSE A. LUJAN, CHAIRMAN: No, I understand.

BENJAMIN J.F. CRUZ, PUBLIC AUDITOR, OPA: They have to finish there. They close out everything with the GFMIS.

SENATOR JESSE A. LUJAN, CHAIRMAN: DOA has to finish up.

BENJAMIN J.F. CRUZ, PUBLIC AUDITOR, OPA: Yes.

SENATOR JESSE A. LUJAN, CHAIRMAN: Wow. Wow. Do you know how where they're at in finishing out? Do you know how close they are to finishing out or how far?

BENJAMIN J.F. CRUZ, PUBLIC AUDITOR, OPA: No, I don't.

MATTHEW SANTOS, DEPUTY DIRECTOR OF BUREAU OF STATISTICS AND PLANS: And that's just for FY24. So, it's be a while for FY24.

SENATOR JESSE A. LUJAN, CHAIRMAN: That's right.. Anyway, yeah, let me Senator Gumataotao.

SENATOR EUOLGIO SHAWN GUMATAOTA: Thank you, Mr. Chair, and thank you to the panel for being with us today. And can I just say and I give a lot of credit to your committee chair, at least in terms of the customs committee chair,

because I joined him in March. When we visited the port, I saw those boxes with my own eyes. And you cannot unsee that. Quite frankly, you just cannot. And so what I think of this particular bill, it is a priority. If it wasn't now, it was back in before this as the public auditor mentioned and here we are. So I do obviously support the implementation or getting this thing through. Can I I only have a couple of questions, Mr. Chair, but if you can if anyone here can let me know, will the participating agencies we heard from a few of them today, will they be required to share in the annual system maintenance costs, if any, similar to the cost sharing initiatives that we established to manage the criminal justice information system integration report across all of the participating public safety agencies.

MATTHEW SANTOS, DEPUTY DIRECTOR OF BUREAU OF STATISTICS AND PLANS: Well, we work a lot with and also fund a lot of the criminal justice like for the switch like you're talking about, right? So, we don't anticipate that it being that much, you know, because this is a

SENATOR EULOGIO SHAWN GUMATAOTAO: Wait, wait. Okay when you said it's either they are or they're not. So I'm asking you are they going to or not.

MATTHEW SANTOS, DEPUTY DIRECTOR OF BUREAU OF STATISTICS AND PLANS: I think we need to determine how much it's going to be before we look at whether the multiple agencies need to kind of pitch in individually or this can just be appropriate as a single line item because it's not going to be as expensive as our integrated criminal justice system. So I'm assuming that any annual cost we don't have to pay for because there's no licensing fees, there's no user fees, it's not a profit model for them. So we anticipate this cost to be much less than what it is for the integration of our integrated criminal justice system.

SENATOR EULOGIO SHAWN GUMATAOTAO: Yeah. Please.

IKE Q. PEREDO, DIRECTOR, CUSTOMS AND QUARANTINE AGENCY: Yes. Senator, I agree with your statement there that maybe we should look into that and make sure that if our partners are a part of this particular project then we should come up with something because like what we're doing with GVB right

now the our EDF system that we use at the airport they help us fund part of the maintenance for that. So it's something that it's commendable and I think we should look into that.

EULOGIO SHAWN GUMATAOTAO: And why I ask it goes back to what even the public auditor mentioned if it's going to take time to implement it makes a little bit of sense for us to take any cost sharing across agencies and perhaps use that to scan some of these documents in these boxes to assist us in how we do that particular work. Now also recognizing that the bill authorizes CQA to enter into memoranda of understanding, data sharing agreements or other cooperative instruments for the exchange and use of information that are generated or maintained through the ASYCUDA for customs revenue, law enforcement, border security and trade facilitation purposes. What considerations have been put forward regarding perhaps the advantages or the disadvantages of setting up a coordinating group similar to our criminal justice automation commission based on CQA's understanding of the system including the information that you all gained when you visited Palau and their border group in November.

VINCENT S.N. PEREZ, CHIEF, CQA: So on the face of it, we would invite members from the criminal justice, the CJAC as stakeholders to participate in our stakeholder meetings to see how we can facilitate or assist them and how the information that we share would be beneficial to not just us but also in the context of the court system. So, the system is made so that it's a whole bunch of data coming in and stakeholders the more people who provide input either from a regulatory or enforcement point of view or has a need we would like to know to what extent they would need that information and hopefully work out some sort of agreement with them.

SENATOR EULOGIO SHAWN GUMATAOTAO: Thanks. Go ahead, John.

JOHNRIC MENDIOLA, CUSTOMS OFFICER SUPERVISOR, CQA: Senator, I think one of the basis that we already are aware of is that we assist a lot of agencies. I think that's the foundation for us determining moving forward who and what needs information. Obviously, big agencies or agencies that we really collaborate with on a daily basis such as public health, revenue and taxation,

they're going to need more access than let's say other agencies where our cooperative enforcement is not daily. So, I think that will be the basis for us to determine who and what needs type of access. And from there, we can determine and we will call them in and let them know that we're having this system and that we will formulate and provide them the opportunity to obtain the information that is pertinent to their policy and their rules and what they're enforcing. It's not going to be a free fall. We understand that this is still secured and sensitive information especially if it deals with private citizens, their information, trade secrets cost and all of that. So I think we'll use that as the foundation for us to determine and collaboratively work together with these agencies to determine who and what needs things and then from there we can work and also start discussing a user fee agreement or something to supplement the maintenance cost moving forward.

SENATOR EULOGIO SHAWN GUMATAOTAO: Well, again, and hence the question, I think that if we're going to be managing this, I mean, this sheer amount of information, right, that something very similar to what is stood up with the CJAC, I'm not saying they're probably going to have some input, but some level that you can manage. So, because this system is not it's nothing like that. It's a little bit different, but I would again I put it out there and I'm just trying to kind of get us away from all of this paralysis by all of the analysis that we're seeing between us here. We're just trying to implement a public policy that you know, and no offense, chief, when you say that they've had this around for 40 years. I don't think that the former speaker would appreciate the fact that if it's been around for 40 years and we haven't been able to implement our own use tax. It just means that we've been really just behind and we got to get forward and implement and no more talking, no more analysis. Let's just get this I support the bill right now and I want us to get it done and I do support the chairman in this effort and let's just get this going. Thank you, Mr. Chair, for the time.

SENATOR JESSE A. LUJAN, CHAIRMAN: Thank you, Senator Muña Barnes.

SENATOR TINA MUÑA BARNES: *Si Yu'os Ma'åse'*, Mr. Chair, and I know it's already 12:30, but I said to myself, I'd be remiss if I didn't stay here to just see what's going on in facilitation of this bill 234. I did want to note for the record that I rise in strong support of this bill and I want to thank the chair for allowing me to

be the co-sponsor because public law 37-82, the one I sponsored, was intended to move toward modernizing customs by authorizing the use of the harmonized code system and a customs automated framework consistent with international standards. Bill 234 now gets us that much closer to implementing that law. And I know that Charlie was here earlier and he talked about a timeline and in the 35th Guam Legislature when we first started this whole thing and yes we are going back in time because it's been that long when they came up to us talked to Senator Mary Torres I will give her that credit myself and Senator Joe San Agustin, to start this implementation and I will tell you that customs and quarantine I was literally every day after the implementation of 37-82 was asking when will this bill that we are talking about right now when will it get started when are we having the public hearings when is customs moving forward I also want to say that by designating ASYCUDA as Guam's official customs management system Bill 234 gives real operational effect to the harmonized code so that we finally have an integrated electronic system that improves the efficiency while reducing the vulnerabilities at customs particularly with doing things by paper that the public auditor was talking about but the realization of what we are missing is anywhere in the millions and millions of dollars. So Mr. Chair, as you know, because we lie outside the United States customs zone, we cannot access the federal systems like ACE, the automated commercial environment. And so, we must adopt a globally recognized platform that meets our needs. And ladies and gentlemen, ASYCUDA does exactly that. And it is already used successfully by island jurisdictions similar to ours. And I will note for the record again, Guam if not is the only island nation in this part of the Pacific of our blue continent that has not implemented. And if we don't do this, there is gravely something wrong. So in short Mr. Chair, Bill 234 completes the work we began way back when. Since Senator Mary Torres's bill since working closely with the public auditor the realizations of the money that can come through and we like I said I guess it was 60 to 110 million and we're talking about fees and implementation and the framework for the government of Guam guys, sorry Mr. Chair. My passion for this is implement this *esta*, because if we don't we're going to wait another 10 years and when Charlie Hermosa spoke about it being I was the speaker in the 35th we're now in the 38th going into the 39th we're already in the second year of the 38th Guam Legislature and is still not implemented. Let us do something sooner than later and I must say Mr. Chair that yes, your facilitation

really has helped us going through. My apologies to customs for not being able to go to that meeting to see the record work and I see my good sister out there Dee who said you should have been there and I said yes I should have been there but my apologies for not making it but that doesn't stop me from trying to implement that. Ladies and gentlemen, the resources that we can have, it is a shame that we continue to put obstacles in the way that we shouldn't be doing. Customs is an autonomous agency. We should literally give them that framework. If we need to work with the other agencies, then we can come in with the collaboration, but let it start with where it's supposed to be. And I know public auditor, you were the speaker, the vice speaker, you were a part of this. And like you said, we still haven't done it. If we don't do this, if we don't get this bill in this January session, an embarrassment to us as policy makers, not just to us as policy makers, but to the government as a whole because this system should be in when everybody else including Palau, Yap, and Micronesia has it implemented already. So this is not just a software that is this is a protection and a realization of all the commodities that are coming in and out of this island. So Mr. Chair, it's 12:40. I'm so sorry, but please know that the history has been noted, the years we've been working on this, the support we need, the regulatory agencies within the government, we need to come together and know that this bill needs to be on the next session agenda. Thank you. Thank you for letting me vent my passion.

SENATOR JESSE A. LUJAN, CHAIRMAN: Thank you, Senator Muña Barnes. On behalf of the Republican majority, we say you're very welcome for the Republicans moving this forward because it's been stagnant for years and now we're moving it forward. So, you're very welcome. You're very welcome and thank you for sitting and agreeing to sit in my committee as well. And as we found actually put in the bill's intent and in our press release as well is yes this is taking it over the finish line is what yourself and Senator Mary Torres had started as well and we acknowledge that and I'm so sorry that it got stuck wherever it got stuck in that but you know there's a new sheriff now in town right so we unstuck it okay. So with that being said again no other testimonies we want to thank all who testified on bill 234-38 (COR) your input is valuable and will help ensure that if Guam proceeds with this modernization effort is done responsibly, securely, and with clear accountability for anyone who wishes to submit still submit testimony for the

record, you may do so within 10 business days. Testimony may be submitted electronically via email at senator.lujan@guamlegislature.gov. Written testimony may also be submitted by dropping it off at my office located at 259 Martyr Street, Hagåtña, Guam, 96910. That being said, I don't know, as Senator Barnes, if we can get this in the January session because we've got a COR meeting next week, but we don't go into session next month. We'll be going into session in March. So, yes. No, I'm sorry. We tried to get this bill heard as soon as possible and this was the first available date that we had. So we're looking for both bills, the previous bill and this bill to be on the January or into the March session. The previous actually what's on the January session will be of course the nomination appointment of Doris Flores Brooks for the PUC. She would be in that session. But this one, it's looking like it's going to be March. I don't think our staff will be able to finish collating all the information, the reports by next week. We'll try and we'll try our best, but I know in March. With that being said, this concludes the agenda for today public hearing and the committee on transportation, tourism, customs, utilities, federal and foreign affairs. So there no other business. It is now 12:41 and we stand adjourned. Thank you.

[COMMITTEE ADJOURNED]

III. FINDINGS & RECOMMENDATIONS:

The Committee *finds* that Bill No. 234-38 (COR) represents a long-overdue modernization of Guam's customs infrastructure through the designation and implementation of the Automated System for Customs Data (ASYCUDA), a globally recognized customs management platform developed by the United Nations Conference on Trade and Development and utilized in more than 100 countries. Guam remains outside the United States customs zone and therefore cannot access federal systems such as ACE, necessitating the adoption of an internationally compliant alternative. Testimony from the Guam Customs and Quarantine Agency (CQA), the Bureau of Statistics and Plans, the Office of Technology, the Department of Public Health and Social Services, and the Office of Public Accountability established that Guam's continued reliance on paper-based processing has contributed to significant revenue leakage, audit findings dating back multiple years, and operational inefficiencies affecting

revenue collection, border enforcement, trade statistics, and public health protections. Implementation costs are estimated at approximately \$2 million with identified funding sources and an anticipated annual maintenance cost of approximately \$150,000, while regional counterparts such as Palau have reported measurable revenue increases following implementation. The Committee further finds that ASYCUDA will provide automated duty calculation, real-time reconciliation, risk profiling, secure data management, interagency information-sharing capabilities, and enhanced traceability of imported goods, thereby strengthening customs enforcement, consumer protection, trade facilitation, and fiscal accountability.











The Committee *furth*er finds that Bill No. 234-38 (COR) authorizes the CQA to enter into memoranda of understanding, data-sharing agreements, and cooperative instruments necessary to ensure secure and structured interagency collaboration, while maintaining appropriate safeguards for confidential and sensitive information. Testimony confirmed that data governance will remain under the authority of the Government of Guam and subject to applicable federal and local protections, and that implementation will require structured stakeholder coordination, sustainable funding mechanisms, and phased operational deployment over an estimated 24 to 36 months.

The Committee *recognizes* that prior legislative efforts, including Public Law 37-82, laid the statutory groundwork for harmonized code adoption, and that Bill No. 234-38 (COR) operationalizes those reforms. Given the documented audit findings, the demonstrated fiscal and enforcement benefits, the absence of a viable federal alternative, and the strong support expressed during the public hearing, the Committee reports out Bill No. 234-38 (COR) with the recommendation to do pass.

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

Bill No. 234-38 (COR)

Introduced by:

Jesse A. Lujan 
Tina Rose Muña Barnes 
Vincent A. V. Borja 
Christopher M. Dueñas 
William A. Parkinson 
Joe S. San Agustin 
Eulogio Shawn Gumataotao 
Shelly V. Calvo 
Frank F. Blas Jr. 
Sabrina Salas Matanane 

AN ACT TO *ADD* A NEW §73157 TO ARTICLE 1, CHAPTER 73, DIVISION 3 OF TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO MANDATING THE ADOPTION OF THE AUTOMATED SYSTEM FOR CUSTOMS DATA (ASYCUDA) AS THE OFFICIAL CUSTOMS MANAGEMENT SYSTEM OF THE GUAM CUSTOMS AND QUARANTINE AGENCY, AND TO AUTHORIZE AGREEMENTS WITH THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD) FOR ITS IMPLEMENTATION AND MAINTENANCE.

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

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds
3 and declares that Guam Customs and Quarantine Agency (CQA), by virtue of
4 Guam's status outside the customs territory of the United States, does not have
5 access to the federal computerized trade platforms administered by U.S. Customs

1 and Border Protection, including the Automated Commercial Environment (ACE),
2 and has therefore relied for decades on paper-based tracking, manually maintained
3 electronic logs, and other non-integrated processes to record, assess, and enforce
4 customs and use tax obligations on incoming cargo. The Office of Public
5 Accountability, in Report No. 20-01, *Government of Guam Use Tax on Air Cargo*
6 *(October 1, 2016 through December 31, 2018)*, documented significant flaws and
7 deficiencies in the Government of Guam’s use tax processes, including manual
8 recording and assessment of incoming air cargo; substantial backlogs in processing
9 assessed but unpaid use tax forms; the inability to reliably determine the true amount
10 of taxes assessed, collected, and outstanding; the lack of an interface between CQA’s
11 and the Department of Revenue and Taxation’s systems; the absence of pre-
12 numbered and controlled assessment forms; limited documentation of exemptions
13 and supervisory reviews; and weak internal controls over collections and deposits,
14 all of which create a high risk of unaccounted, unrecorded, and unassessed cargo,
15 revenue leakage, and exposure to fraud, waste, and abuse.

16 *I Liheslaturan Guåhan* further finds that modernization of CQA’s systems and
17 processes is essential to safeguard Guam’s borders, facilitate legitimate trade,
18 support accurate and timely revenue collection, and ensure compliance with local,
19 regional, and international standards. The Oceania Customs Organization and
20 international experts have specifically recommended that Guam Customs adopt the
21 Automated System for Customs Data (ASYCUDA), a proprietary customs
22 management platform developed and administered by the United Nations
23 Conference on Trade and Development (UNCTAD), which is utilized by more than
24 two hundred customs administrations worldwide, including small island developing
25 states in the Pacific, and which is recognized as a global standard for electronic
26 customs management, risk profiling, and trade facilitation. *I Liheslaturan Guåhan*
27 also recognizes that UNCTAD, as a United Nations entity, does not participate in

1 conventional Invitation for Bid procurement processes, but instead enters into direct
2 intergovernmental agreements or memoranda of understanding with sovereigns and
3 governments, such that the implementation of ASYCUDA in Guam necessarily
4 requires statutory authorization for CQA to negotiate and execute such
5 intergovernmental instruments, and a narrowly tailored exemption from the Guam
6 Procurement Law, codified at 5 GCA Chapter 5, to recognize ASYCUDA as a sole-
7 source, intergovernmental, proprietary system for customs automation.

8 *I Liheslaturan Guåhan* additionally finds that it has already taken important
9 steps toward customs and border management modernization through the enactment
10 of Public Law 35-105, which strengthened advance cargo reporting and notice-of-
11 arrival requirements, mandated the advance presentation of manifest information to
12 CQA prior to arrival at Guam’s ports of entry, and established new penalties for non-
13 compliance, thereby improving transparency and enforcement at the border; and
14 through Public Law 37-82, which amended 5 GCA Chapter 73 to expressly authorize
15 CQA to adopt and implement a customs automated system and the Harmonized
16 Commodity Description and Coding System, thereby creating a statutory framework
17 for modern customs classification and automation. Notwithstanding these significant
18 strides, the deficiencies identified by the Office of Public Accountability in the
19 Government of Guam’s use tax and cargo processing systems demonstrate that
20 further legislative action is required to move from a fragmented, manual, and error-
21 prone environment to a comprehensive, integrated customs management platform
22 that can receive airway bills and manifests electronically, automate assessments,
23 track exemptions and personal thresholds, interface with revenue and accounting
24 systems, and generate reliable data for financial reporting and policy-making.

25 It is therefore the intent of *I Liheslaturan Guåhan*, consistent with and in
26 furtherance of Public Laws 35-105 and 37-82, to provide Guam Customs and
27 Quarantine Agency with clear legal authority to adopt ASYCUDA as Guam’s

1 official customs management system; to authorize CQA to enter into
2 intergovernmental agreements, memoranda of understanding, and related
3 instruments with UNCTAD for the acquisition, implementation, and maintenance of
4 ASYCUDA; to exempt such agreements from the Guam Procurement Law as a sole-
5 source, intergovernmental, proprietary acquisition; and to thereby remedy the audit-
6 identified deficiencies in cargo recording, assessment, collection, exemptions,
7 receivables, and system interfaces by implementing a modern, electronic customs
8 environment that enhances Guam’s border security, strengthens fiscal transparency
9 and revenue collection, and supports the efficient movement of legitimate commerce
10 through Guam’s ports of entry.

11 **Section 2.** A new §73157 is hereby *added* to Article 1, Chapter 73, Division
12 3 of Title 5, Guam Code Annotated, to read:

13 **“§73157 Implementation of Customs Information Technology System –**

14 **ASYCUDA**

15 **(a) Definitions.**

16 For purposes of this section:

17 (1) “Agency” means the Guam Customs and Quarantine Agency.

18 (2) “ASYCUDA” means the Automated System for Customs Data,
19 a proprietary customs management system developed, administered, and
20 supplied by the United Nations Conference on Trade and Development
21 (UNCTAD).

22 (3) “Customs automated system” means an electronic platform or
23 suite of modules used for the receipt and processing of customs declarations,
24 manifests, cargo and passenger data, risk management, valuation,
25 classification, revenue assessment and collection, enforcement actions, and
26 related customs functions at Guam’s ports of entry.

1 (4) “UNCTAD” means the United Nations Conference on Trade and
2 Development, a specialized entity of the United Nations responsible for, inter
3 alia, the development and administration of ASYCUDA.

4 **(b) Adoption and Designation as Official System.**

5 ASYCUDA is hereby adopted and designated as the official customs
6 automated system of the Agency for all customs operations at Guam’s ports
7 of entry, including, but not limited to, air, sea, mail, and express consignment
8 facilities.

9 **(c) Authority to Negotiate and Execute Agreements**

10 The Director of Customs, with the approval of the Governor, is authorized
11 to negotiate, execute, implement, and amend agreements, memoranda of
12 understanding, and other intergovernmental instruments with UNCTAD for
13 the planning, acquisition, installation, configuration, hosting, integration,
14 operation, enhancement, training, support, and maintenance of ASYCUDA
15 and its related modules and services.

16 **(d) Exemption from Certain Procurement Requirements**

17 Notwithstanding any other provision of law, agreements, memoranda of
18 understanding, and other instruments entered into pursuant to this Section for
19 the provision of ASYCUDA and its directly associated modules, services,
20 hardware and support shall be exempt from the Invitation for Bid (IFB) and
21 competitive source selection requirements of Chapter 5 of this Title, in
22 recognition that ASYCUDA is a sole-source, proprietary, intergovernmental
23 system available exclusively through UNCTAD.

24 (1) Prior to entering into any such agreement, the Director of
25 Customs shall prepare a written determination, approved by the
26 Governor, certifying that:

27 a. ASYCUDA is available only through UNCTAD; and

1 b. the exemption granted under this subsection is limited to
2 ASYCUDA and its directly associated modules, services,
3 hardware and support.

4 (2) The exemption provided in this subsection shall not be construed
5 to authorize sole-source procurement for any other information
6 technology system, hardware, software, or service not directly
7 related to the implementation and operation of ASYCUDA.

8 (3) A copy of each agreement or instrument executed pursuant to
9 this subsection, together with the written determination required
10 herein, shall be transmitted to I Liheslaturan Guâhan within
11 thirty (30) days of execution.

12 **(e) Funding.**

13 Federal funds, including, but not limited to, Technical Assistance Program
14 (TAP) funds and other grants or cooperative agreements, together with local
15 appropriations and any other lawful funding sources, may be obligated,
16 encumbered, and expended for the planning, acquisition, implementation,
17 integration, hosting, operation, maintenance, enhancement, and training
18 necessary to support ASYCUDA and its associated customs automation
19 functions.

20 **(f) System Integration and Data Governance.**

21 The Agency shall configure and operate ASYCUDA in a manner that:
22 (1) facilitates electronic receipt, processing, and retention of cargo and
23 passenger data, manifests, and declarations;
24 (2) enables, to the maximum extent practicable, electronic interface and data
25 sharing with the Department of Revenue and Taxation and with any
26 government-wide financial or revenue management systems authorized by
27 law;

1 (3) supports accurate assessment, collection, accounting, and reporting of
2 customs duties, use taxes, fees, and other revenues under the Agency’s
3 jurisdiction; and

4 (4) preserves the Government of Guam’s ownership, control, and timely
5 access to all customs and revenue-related data processed through
6 ASYCUDA, regardless of hosting or service arrangements.

7 **(g) Rules and Regulations.**

8 The Director of Customs shall, within one hundred eighty (180) days of
9 the effective date of this Act, promulgate rules and regulations, pursuant to
10 the Administrative Adjudication Law, 5 GCA Chapter 9, to govern the
11 effective use, security, integrity, access controls, confidentiality, data
12 retention, and continuity of operations of ASYCUDA, and to ensure
13 compliance with applicable local, federal, and international customs, trade,
14 and border security requirements.

15 **(h) Information Sharing and Interagency Cooperation.**

16 The Director of the Guam Customs and Quarantine Agency may, at his or
17 her discretion, and consistent with applicable local and federal laws and
18 confidentiality requirements, enter into memoranda of understanding, data
19 sharing agreements, or other cooperative instruments for the exchange and use
20 of information generated or maintained through ASYCUDA for customs,
21 revenue, law enforcement, border security, and trade facilitation purposes,
22 including, but not limited to:

- 23 (1) Government of Guam Agencies such as the Department of Revenue and
24 Taxation, the Office of Technology, the Bureau of Statistics and Plans,
25 the Port Authority of Guam, the Guam International Airport Authority,
26 and such other departments, agencies, or instrumentalities of the
27 Government of Guam as the Director deems appropriate to:

- 1 a. improve revenue assessment, collection, and reconciliation;
- 2 b. support coordinated risk management and enforcement
- 3 activities; and
- 4 c. facilitate legitimate trade, logistics, and economic and statistical
- 5 analysis.

6 (2) Federal Authorities such as the United States Coast Guard, the United
7 States Department of Homeland Security, United States Customs and
8 Border Protection, the United States Postal Inspection Service, the
9 Drug Enforcement Agency, the Federal Bureau of Investigation, the
10 Internal Revenue Service Criminal Investigation Agency, and such
11 other federal law enforcement, border security, regulatory, or postal
12 entities as the Director deems appropriate to:

- 13 a. enhance joint enforcement efforts and information sharing;
- 14 b. support compliance with federal requirements applicable at
- 15 Guam's ports of entry; and
- 16 c. facilitate the secure and efficient movement of legitimate cargo
- 17 and passengers.

18 (3) Regional and International Customs Entities such as Customs and
19 Border Protection authorities within the Pacific region, including, *but*
20 *not limited to*, customs administrations participating in the Oceania
21 Customs Organization or similar regional bodies, for the purpose of:

- 22 a. facilitating trade and transit of goods within the region;
- 23 b. coordinating risk management and enforcement initiatives; and
- 24 c. promoting cooperation and best practices in customs
- 25 modernization and automation.

26 Any such instrument entered into under this subsection *shall*
27 incorporate appropriate safeguards to protect confidential taxpayer,

1 commercial, and law enforcement-sensitive information, and shall ensure that
2 shared data is used solely for lawful governmental purposes related to
3 customs, revenue, trade, or border security.

4 **Section 3. Implementation and Initial Reporting.** Within ninety (90)
5 days of the execution of the initial agreement between the Guam Customs and
6 Quarantine Agency and the United Nations Conference on Trade and Development
7 for the implementation of ASYCUDA, the Director of Customs shall submit to I
8 Liheslaturan Guåhan an implementation plan setting forth:

9 (a) the projected timeline for phased deployment;

10 (b) major milestones, including system configuration, staff training,
11 and integration with the Department of Revenue and Taxation and other
12 relevant agencies;

13 (c) anticipated budget and funding sources; and

14 (d) a description of how the implementation will address deficiencies
15 previously identified by the Office of Public Accountability and other
16 oversight entities in customs processing, assessment, collection, and internal
17 controls.

18 **Section 4. Severability.** If any provision of this Act or its application to any
19 person or circumstance is found to be invalid or inorganic, such invalidity shall not
20 affect other provisions or applications of this Act that can be given effect without
21 the invalid provision or application, and to this end the provisions of this Act are
22 severable.

23 **Section 5. Effective Date.** This Act shall become effective upon enactment.



COMMITTEE ON RULES

Vice Speaker V. Anthony Ada, Chairperson
I Mina'trentai Ocho Na Liheslaturan Guåhan
38th Guam Legislature

December 29, 2025

To: **Rennae V. C. Meno**
Clerk of the Legislature

From: **Senator Christopher M. Dueñas** 
Acting Chairperson, Committee on Rules

Subject: **Fiscal Note for Bill No. 234-38 (COR)**

Håfa Adai!

Find the attached, Fiscal Note for the following bill:

Bill No. 234-38 (COR).

I also request that the same be sent to the respective Chairperson of the Standing Committee, to which this bill has been referred. Kindly copy the same to Management Information Services (MIS) for posting on our website.



**Bureau of Budget & Management Research
Fiscal Note of Bill No. 234-38 (COR)**

AN ACT TO ADD A NEW § 73157 TO ARTICLE 1, CHAPTER 73, DIVISION 3 OF TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO MANDATING THE ADOPTION OF THE AUTOMATED SYSTEM FOR CUSTOMS DATA (ASYCUDA) AS THE OFFICIAL CUSTOMS MANAGEMENT SYSTEM OF THE GUAM CUSTOMS AND QUARANTINE AGENCY, AND TO AUTHORIZE AGREEMENTS WITH THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD) FOR ITS IMPLEMENTATION AND MAINTENANCE.

Department/Agency Appropriation Information

Dept./Agency Affected: Guam Customs and Quarantine Agency (CQA)		Dept./Agency Head: Ignacio Q. Peredo, Director	
Department's General Fund (GF) appropriation(s) to date:		\$14,587,104	
Department's Other Fund (Specify) appropriation(s) to date: Customs, Agriculture, and Quarantine Inspection Services Fund		\$7,651,633	
Total Department/Agency Appropriation(s) to date:		\$22,238,737	

Fund Source Information of Proposed Appropriation

	General Fund:	(Specify Special Fund):	Total:
FY 2025 Unreserved Fund Balance		\$0	\$0
FY 2026 Adopted Revenues	\$0	\$0	\$0
FY 2026 Appro. (P.L. 38-60)	\$0	\$0	\$0
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
Total:	\$0	\$0	\$0

Estimated Fiscal Impact of Bill

	One Full Fiscal Year	For Remainder of FY 2026 (if applicable)	FY 2027	FY 2028	FY 2029	FY 2030
General Fund 1/	\$0	\$0	\$0	\$0	\$0	\$0
Special Fund 1/	\$0	\$0	\$0	\$0	\$0	\$0
Total 1/	\$0	\$0	\$0	\$0	\$0	\$0

1. Does the bill contain "revenue generating" provisions? / / Yes /X/ No
If Yes, see attachment
2. Is amount appropriated adequate to fund the intent of the appropriation? /X/ N/A / / Yes / / No
If no, what is the additional amount required? \$ _____ /X/ N/A
3. Does the Bill establish a new program/agency? / / Yes /X/ No
If yes, will the program duplicate existing programs/agencies? /X/ N/A / / Yes / / No
Is there a federal mandate to establish the program/agency? / / Yes /X/ No
4. Will the enactment of this Bill require new physical facilities? / / Yes /X/ No
5. Was Fiscal Note coordinated with the affected dept./agency? If no, indicate reason: /X/ Yes / / No
/ / Requested agency comments not received by due date / / Other:

Analyst: <u>Joquín A.J. Guerrero II</u>	Date: <u>12/23/25</u>	Director: <u>Lester L. Carlson, Jr.</u>	Date: <u>DEC 29 2025</u>
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Comments:
1/ Per comments provided by the CQA, based on information from similar customs-trade facilitation management systems and the operational, functional, technical, and customs/border management expertise required for successful agency automation, the proposed legislation aligns with the best fiscal interests of both the agency and the Government of Guam. While a cost estimate is not yet available, the bill authorizes the CQA and the Government of Guam to negotiate the terms, services, and agreements with the UNCTAD prior to any contract commitment.