



Senator Michael F.Q. San Nicolas

Chairman - Committee on Aviation, Ground Transportation,
Regulatory Concerns and Future Generations
I Mina'trentai Dos Na Liheslaturan Guåhan | 32nd Guam Legislature



January 18, 2013

The Honorable Madeleine Z. Bordallo
Delegate, United States House of Representatives
120 Father Duenas Avenue, Suite 107
Hagåtña, Guam 96910

Re: **Clarification on Request for Legislative Action**

Dear Congresswoman Bordallo,

Håfa adai! Thank you for your response to my letter dated January 17, 2013 regarding the shipment of inbound goods from the contiguous United States to Guam. I would like the opportunity to clarify my request with particular attention to the assertion in your letter dated January 18, 2013:

“Current federal law places Guam outside the U.S. customs zone and is consistent with previous preferences expressed by our local leaders... However it is important for local leaders to fully consider the ramifications and potential impacts that including Guam in the U.S. customs zone will have on our community.”

I fully understand that current federal laws recognize Guam as outside of the U.S. customs zone. What my letter requests is legislation to redefine that classification as it relates to the flow of goods. I believe that legislation can be crafted to maintain our status as outside of the U.S. customs zone for goods transiting from Guam to the U.S., and inside the U.S. customs zone for goods transiting to Guam from the U.S. While this type of dual classification as proposed is unique, our existing circumstances are already unique, so defining the uniqueness through federal legislation to improve commerce for Guam would be a public service that only you can provide.

My broad stroke assessment is that this type of classification would not be of detriment to the United States as it would improve the ability for contiguous merchants to access our markets, while still protecting and enforcing all applicable duties and tariffs on goods that flow from Guam to the U.S. For benefit of our people, this proposed dual classification will still maintain our status as a duty-free destination for international goods and increase the availability of domestic U.S. goods for our people and local businesses, all while maintaining our existing customs autonomy.



I encourage you to further explore this opportunity to introduce definitive legislation that specifies the application of international customs on goods from Guam to the U.S. along with the application of domestic customs on goods from the U.S. to Guam, while maintaining our customs autonomy to execute this new form.

I look forward to working with you on this issue. Thank you for considering this proposition to make meaningful improvements on the opportunities for our local businesses and the quality of life for our people.

Respectfully,



Michael F.Q. San Nicolas
Senator

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