



GUAM CHAMBER OF COMMERCE
PARTNERS IN PROGRESS

December 3, 2020

THE HONORABLE JOE S. SAN AGUSTIN
Chairman, Office of Finance and Budget
I Mina'Trentai Singko Na Liheslaturan Guåhan
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

RE: Bill No. 404-35

Hafa Adai Senator San Agustin,

Thank you for the opportunity to provide comments on Bill No. 404-35. The Guam Chamber of Commerce joins the Guam Association of Realtors in opposing the bill as written. We appreciate the author's intent in protecting the island's aquifer and drinking water however, if passed, the measure would have unintentional consequences that would be of great impact to the people of Guam. These consequences would include:

- An increase in the cost of single-family dwellings. Please see *The Guam Single Family Dwelling Median Price* diagram as determined by Cornerstone Valuation Guam, Inc. (Attachment) The cost of building a home is exorbitant in Guam and this measure would further increase fees involved with building a home, especially for landowners in the Northern area of our island. These landowners have the challenge of not having sewer connections accessible due to several issues which further impacts the subdivision of family lots; and would disenfranchise families of their ability to develop their property;
- Making it impossible for the subdivision of lots associated with probate purposes or descendant estate surveys;
- Negatively impacting the availability of affordable homes for residents. Given our current economic crisis and so many of our residents out of jobs, any measure which would make it difficult for them to afford housing should be reconsidered; and,
- Would negatively impact the construction industry and associated employment.

The Chamber recognizes the tremendous efforts of the Guam Waterworks Authority (GWA) in repairing leaking sewer lines associated with the high nitrate levels which is cited as a concern by the author of the Bill. In addition, the investment of \$30 million dollars for GWA's repairs of the main sewer interceptor over the northern Guam lens, has significantly helped to mitigate leaking issues. Furthermore, GWA's five-year capital improvement program includes plans and funding resources to eliminate septic tanks by expanding their sewer collection system. With these efforts by GWA, it is the Chamber's position that needlessly causing burdens on our families and businesses in the housing industry is not warranted.

In addition, the Chamber would like to advocate for other mitigation efforts to be studied -including the use of advanced technology and innovative treatment systems to affordably reduce as well as remove nitrates/toxins that could be harmful to the aquifer and our people. More intensive efforts from the Guam Environmental Protection Agency and the US EPA could be explored as there are denitrification efforts occurring across the country as well as globally that our island can learn from as well as possibly implement before we legislate mandates that could greatly impact the ability of our residents to develop their own real property.

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Letter to Senator San Agustin re: Bill 404-35

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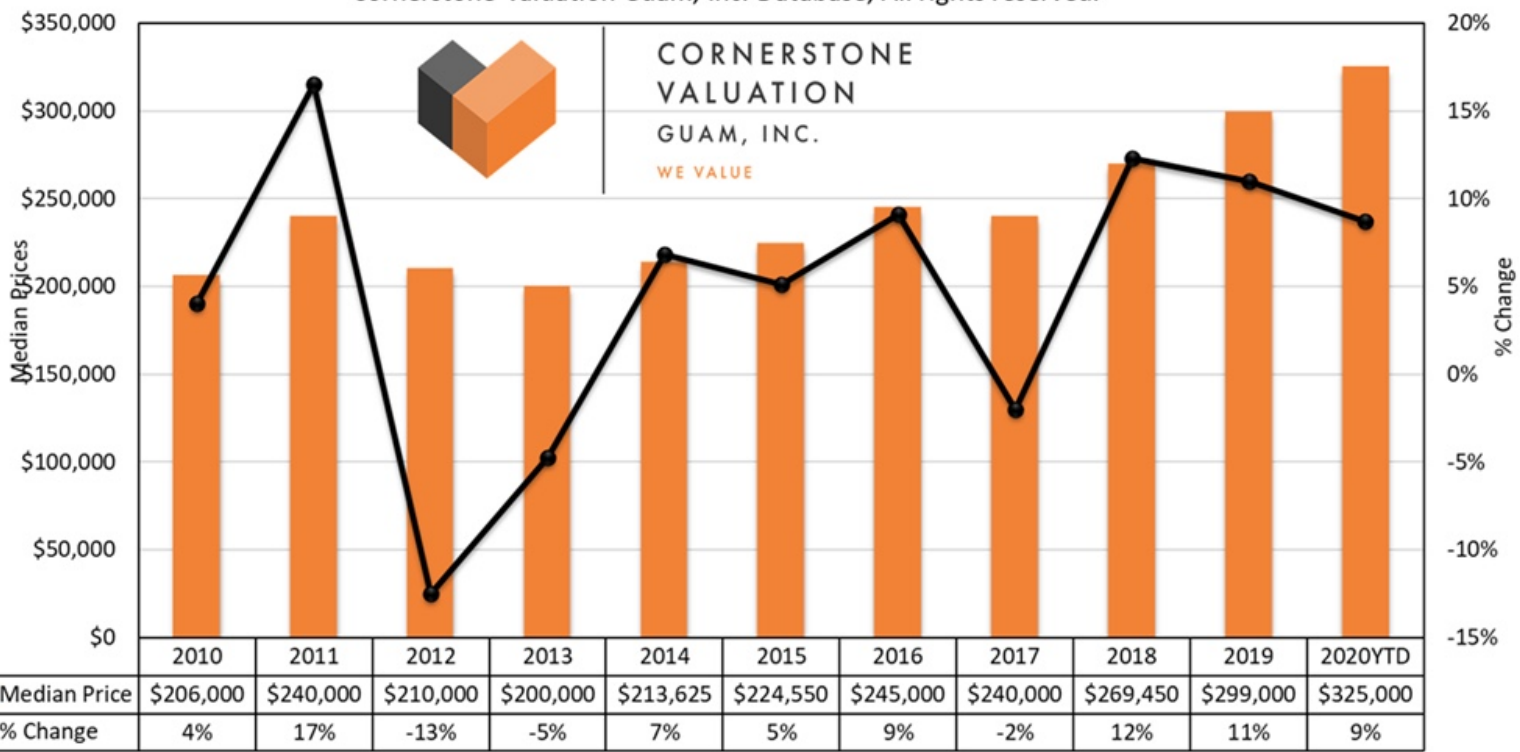
Thank you for the opportunity to provide comments on Bill No. 404-35. We urge the Committee to seriously review other means of addressing the contamination issue that would not impact limiting the number of septic tanks on our island which will ultimately negatively impact our people.

Sincerely,


CATHERINE CASTRO
President

Guam Single Family Dwelling Median Price (\$)

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[1] Reflects 2020 YTD figures through 3rd Quarter (9 months).