



OFFICE OF SENATOR
THOMAS A. MORRISON

Assistant Minority Leader
I Mina'trentai Kuáttro Na Liheslaturan Guâhan • 34th Guam Legislature

October 16, 2017

Dr. Jeffrey Johnson
Chairman
Public Utilities Commission
Sent via: jeffcharjohnson@hotmail.com

RE: Liquid Fuel Tax

Håfa adai Chairman Johnson,

I appreciate our recent conversation regarding the possibility of authorizing the Public Utilities Commission (PUC) to regulate future adjustments to the Liquid Fuel Tax rates. The premise of this suggestion is to remove political influence from the decision-making process.

While the passage of Bill 122-34 into law this past week was a difficult but necessary step forward in our efforts to provide families with safer roadways across our island, the fact that politicians are responsible for determining the necessity of rate adjustments is difficult for me to accept. Although Bill 122-34 was supported by only eight of fifteen senators, I don't believe that any of my colleagues who opposed the measure were ignoring the urgency of repairing more of our village streets. Moreover, I commend Vice-Speaker Therese Terlaje and Senators William Castro, James Espaldon, Fernando Esteves, Louise Muna, Dennis Rodriguez, Jr., and Joe San Agustin for having the courage to prioritize safer roadways over politics.

As you're aware, the Liquid Fuel Tax rates were adjusted twice in the past 38 years through P.L. 15-74 in 1979 and P.L. 17-4 in 1983. Comparatively, our power and water agencies and both ports of entry are able to adjust rates and fees, as necessary, via the PUC in order to fund the implementation of their immediate and long-term capital improvement projects. As an example, I understand that the PUC recently approved the 14th rate increase for the Guam Waterworks Authority (GWA) since 2004 – a 4-percent increase to the agency's basic and non-lifeline water and wastewater rates on all customer classes. According to local media reports, the adjustment is the final step in GWA's five-year commitment to pay off bond money that was borrowed so that the water agency could improve Guam's water and wastewater systems, as mandated by the federal court.

Chairman Johnson, I respectfully request the PUC to reply with any information it can share regarding the possibility of overseeing future adjustments to the Liquid Fuel Tax rates. The PUC continues to prioritize upgrades to various services and is fully aware that improvements our ratepayers expect require funding. Equally important is your organization's record of reducing utility rates whenever it is necessary. Moving forward, my office is prepared to work closely with the PUC in developing legislation authorizing your organization to regulate adjustments to the Liquid Fuel tax rates.

I look forward to your feedback concerning this matter.

Sinseramente,

THOMAS (TOMMY) A. MORRISON
Senator

cc: Governor and Lt. Governor of Guam
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